

## Talks Could Include Role in Afghanistan, Shevardnadze Says

OTTAWA — The Soviet military presence in Afghanistan is likely to be a topic of the talks in Iceland between President Ronald Reagan and Mikhail S. Gorbachev, according to the Soviet foreign minister, Eduard A. Shevardnadze.

Soviet officials had said that nuclear disarmament would be Moscow's key item for consideration in the talks Oct. 11 and 12 in Reykjavik, Iceland's capital.

But Mr. Shevardnadze, speaking Wednesday at a dinner with External Affairs Minister Joe Clark of Canada, said: "I think it is entirely possible that other urgent problems will be discussed at that summit meeting, including the problem around Afghanistan."

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■ Iceland mobilizes for the superpower meeting.  
■ Lina Olov, somewhat non-plussed by recent events, prepared to leave the Soviet Union.

## Daniloff Sees Reagan, May Cover Talks

WASHINGTON — Nicholas Daniloff, the American journalist fired on Monday by the Soviet Union, has met with President Ronald Reagan and has revealed that he hopes to travel to Iceland to report on the president's meeting with Mikhail S. Gorbachev.

A spokesman for U.S. News & World Report, Mr. Daniloff's employer, said that the reporter's future assignment was "a little indefinite" but that he would probably report on the Icelandic meeting if he obtained credentials.

The meeting was arranged as part of the agreement that allowed Mr. Daniloff, 51, to leave the Soviet Union, where he was arrested on what the Reagan administration has called trumped-up espionage charges.

The correspondent began his first full day back in the United States on Wednesday with a rousing welcome at the magazine's Washington headquarters, then went to the White House, where he and his wife spent 40 minutes meeting with the president.

In a brief appearance with Mr. Reagan in the Rose Garden, Mr. Daniloff told the president that if he had not taken a "very deep and personal interest" in his case, it might have been years before he was released.

Mr. Daniloff was allowed to leave Moscow on Monday in an arrangement that also called for the release of Gennadi F. Zakharov, accused by the United States of espionage, to the Soviet Union.

Criticism of the arrangement continued on Capitol Hill, where the Senate minority leader, Robert C. Byrd, a West Virginia Democrat, said Thursday that "anything that looks like a swap, talks like a swap, acts like a swap and walks like a swap is a swap."

U.S. officials said Wednesday that the swap was a "swap."

U.S. officials said Wednesday that the swap was a "swap."



Security men apprehended a suspect, center, after shots were fired near Mr. Gandhi.

## Gandhi, Several Other Top Officials Escape Shooting; Suspect Arrested

By Richard M. Weintraub

NEW DELHI — Prime Minister Rajiv Gandhi and several other top Indian officials escaped harm Thursday in an apparent assassination attempt by a gunman hiding in a bush, and the police captured and were questioning a lone suspect.

President Zail Singh also escaped unscathed in the attack, which took place at a memorial to Mohandas K. Gandhi.

But six persons were injured by pellets from a crudely made pistol fired by the gunman from a hiding place in a clump of bushes about 70 yards (64 meters) from the prime minister, according to the chief government spokesman, Ramamohan Rao.

Several top officials in charge of Mr. Gandhi's security were suspended.

Mr. Rao said the suspect had identified himself as Manmohan Desai but then changed his story several times.

The man was described as in his early 20s. Police said he was not wearing a Sikh-style beard and the Press Trust of India news agency said investigators had not uncovered any links to terrorist groups, including Sikh extremists.

Rajiv Gandhi reportedly is at the top of an assassination list drawn up by Sikh militants seeking to avenge the government's military takeover of the Golden Temple shrine in Amritsar in 1984.

Mr. Gandhi's mother and his predecessor as prime minister, Indira Gandhi, was shot to death by two Sikh bodyguards on Oct. 31, 1984.

A special 1,500-person security force was recruited to guard Mr. Gandhi after his mother's assassination, and it was unclear how the gunman escaped the security net on Thursday.

A government statement cited "security lapses" and said that "some officials in the Delhi police directly responsible for security arrangements" had been suspended.

Officials said one of them was the assistant commissioner of police, Gauram Kamal, an uncle of the prime minister, who was in charge of his security.

Afterward, Mr. Gandhi went on a planned trip to Maharashtra state, and Indian officials quickly tried to reassure the public that he had not been harmed.

Officials said one reason for the emphasis on the prime minister's safe escape was to guard against the kind of widespread violence that followed Indira Gandhi's assassination.

The incident occurred about 8:15 A.M. as Mr. Gandhi, his wife, Sonia, and several other top officials, including President Singh, were leaving Raj Ghat, the site of the cremation of Mohandas Gandhi after his assassination in January 1948.

The prime minister is not related to Mohandas Gandhi, the spiritual leader of India's drive for independence from Britain. Thursday was the 117th anniversary of his birth and a national holiday.

Police said the gunman was hiding at the top of a dense growth of brush adjacent to a gazebo-like structure at the side of a path leading from the memorial, and that he wore green camouflage military clothes.

Police said that two or three shots were fired and that officials recovered more than 20 pellets from the walkway around the spot where the prime minister had stood.

Three security men were hit by the pellets; two were others in the group near the prime minister. No serious injuries were reported.

## Senate Overrides Veto Despite Botha Threat

By Lawrence L. Krutson

The Associated Press

WASHINGTON — The Senate on Thursday joined the House of Representatives in overriding President Ronald Reagan's veto of a broad package of sanctions against South Africa.

The 78-21 vote came despite a threat by the South African foreign minister that his nation would ban imports of U.S. grain in the event of such an action.

The decision, coming after a two-year battle between Congress and the president, was viewed by some as one of Mr. Reagan's worst foreign policy defeats.

The president had said that sanctions would hurt blacks in South Africa and that there were better ways to persuade South Africa to dismantle its apartheid system.

The House voted Monday to override the president's veto, 313-83. With the Senate action on Thursday, the sanctions become law. Congress had to vote by two-thirds majorities to kill Mr. Reagan's veto.

The law bans new investment and new bank loans to South Africa. It bans the importation of South African steel, iron, coal, uranium, agricultural products, food, arms, ammunition and military vehicles. It transfers the South African sugar quota to the Philippines.

The act ends direct air transportation between South Africa and the United States, abrogates U.S. landing rights for South African aircraft and terminates the air-services agreement now in effect between the two countries.

Senator Charles McC. Mathias Jr., chairman of the Senate Rules Committee, said he was beginning an inquiry into the circumstances surrounding the telephone call Wednesday from the South African foreign minister, P.W. Botha, to four senators, in which he threatened the grain ban.

Senator Mathias, a Maryland Republican, said that he wanted to see VETO, Page 5



Foreign Minister Botha at his news conference Thursday.

## Labor Party Votes to Rid Britain of Nuclear Arms

By Lawrence L. Krutson

BLACKPOOL, England — The Labor Party voted overwhelmingly Thursday to scrap nuclear weapons and close U.S. nuclear bases in Britain, but it rejected proposals to close other U.S. bases and withdraw from NATO.

Delegates at the party's annual congress in this northern seaside resort voted by a show of hands for a proposal submitted by the Labor leadership to scrap Britain's aging

Polaris missile and shut down U.S. bases with a nuclear capability.

But they firmly rejected, by a 5-to-1 vote, two left-wing motions calling for the closure of all bases, including those involved in intelligence gathering and communications, and for Britain's withdrawal from the North Atlantic Treaty Organization.

Both motions were opposed by the party's leader, Neil Kinnock, who said in his keynote speech to the conference that Britain would continue to fulfill its NATO obligations by strengthening its conventional arsenal.

Labor is currently ahead of the Conservative government in opinion polls, with general elections expected next year.

Delegates also called for the next Labor government to halt British participation in the U.S. missile defense program, the so-called Strategic Defense Initiative.

The military debate has been overshadowed by criticism of Labor policy as "dangerous nonsense" by Defense Minister George Younger and as "irresponsible" by the U.S. deputy secretary of defense, Richard N. Perle.

Supporting the motion to close all bases, one delegate, Bill Miller, said NATO's communication facilities played an integral part in U.S. nuclear strategy.

Recalling Mr. Kinnock's pledge that he was prepared to die for his country but not for his country to die for him, Mr. Miller said: "We

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## In Drug Vote, Senate Wagered Its Credibility as Foe of Deficit

By Linda Greenhouse

New York Times Service

WASHINGTON — Only a playwright with a devilish sense of humor could have invented the scene that took place this week on the floor of the U.S. Senate, when two of the senators' most urgent political priorities crashed head-on.

One was the drug-control bill, a \$1.4-billion election year response to what members of Congress perceive as voter demand to do something about drug abuse.

The other was a balanced budget, a goal to which members have pledged themselves not only by word but by statute.

The time had come on Tuesday to vote on the bill, but no one had figured out how to pay for it.

For nearly two hours, as the Senate remained in nominal session with a series

of quorum calls, the key players, sometimes visible in silhouette through the glass door of the Republican cloakroom, sometimes huddled in plain view on the

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floor, tried to puzzle their way out of a most awkward bind.

Finally, the word came. There was no money to spare, every other program was stretched to the limit, but the need for the war on drugs was so urgent that the time had come to "break the budget," in the words of Senator Pete V. Domenici, the New Mexico Republican who heads the Budget Committee.

There were protests from a few senators such as Gary Hart, Democrat of Colorado, who said the Senate ought to be willing to raise taxes rather than increase the deficit.

But it took only minutes for the Senate, by voice vote, to approve a resolution that endorsed the notion of exceeding the budget ceiling to pay for the measure.

The bill itself then passed without further debate, 97-2.

The budget ceiling may in fact remain intact if House and Senate negotiators tap into the expected revenue windfall from the new tax bill and use a few additional accounting techniques to pay for the package.

But almost no matter what happens next, the scene on the Senate floor was a moment of truth. The Senate blinked. The birthplace of the budget-balancing law that has held Congress in thrall for much of the year signaled that when there is something the voters are thought to want even more than a balanced budget, the balanced budget will yield.

The episode showed something else

about the Senate, its seeming ability to fling itself with its own version of reality.

Senators portrayed themselves as virtually helpless before the sudden onslaught of the drug crisis. "A national emergency that has come upon us," said Lawton Chiles, a Florida Democrat.

That was not necessarily the only way to see a social problem that has beset the country for years, but once that vision was accepted, the idea of doing nothing in the few days remaining in the legislative session became unthinkable.

The Senate fully shared that sense of urgency with the House of Representatives, yet produced a substantially different bill.

The differences illuminate another facet of the Senate, the ability of a small group of members, without leadership

support, to affect the course of legislation.

If it was surprising enough that the Republican-controlled Senate was the one willing to "break the budget" to pay for the drug bill, the Senate's role in stripping the House bill of the death penalty and other provisions went perhaps even more against settled expectations.

The Democratic-controlled House had financed its version by shifting funds from other programs.

The Senate leadership endorsed the House bill's provision for the death penalty and for relaxing limits on prosecutors' use of illegally seized evidence.

Senate leaders themselves broadened the death penalty and added another pro-

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## U.S. Strategy of Deceit on Libya Reported

By Bob Woodward

Washington Post Service

WASHINGTON — In August the Reagan administration launched a secret campaign of deception designed to convince the Libyan leader, Colonel Moammar Gadhafi, that he was about to be attacked again by U.S. bombers and perhaps be overthrown in a coup, according to informed sources and documents.

The secret plan, adopted at a White House meeting Aug. 14, was outlined in a three-page memo from John M. Poindexter, President Ronald Reagan's national security affairs adviser.

"One of the key elements" of the new strategy, the memo said, "is that it combines real and illusory events — through a disinformation program — with the basic goal of making Gadhafi think that there is a high degree of internal opposition to him within Libya, that his key trusted aides are disloyal, that the U.S. is about to move against him militarily."

The memo said this would require "a series of closely coordinated events involving covert, diplomatic, military and public actions."

Beginning in mid-Aug. 25 report in The Wall Street Journal, the American news media reported as fact much of the false information generated by the new plan. Articles described renewed Libyan backing for terrorism and a looming, new U.S.-Libya confrontation. But U.S. intelligence officials had actually concluded in August that Colonel Gadhafi was "quiescent" on the terrorist front, according to the Poindexter memo.

The only "confrontation" was the one generated by the adminis-



Colonel Moammar Gadhafi

## Britain Is Banning the Libyan Airline

LONDON (AP) — Britain announced Thursday that it was banning all flights by Libyan Arab Airlines as of Oct. 31 because of what it called Libya's "support of terrorist activity."

Transport Secretary John Moore said in a statement that "the involvement of Libyan Arab Airlines in support of terrorist activity makes it inappropriate in the government's view for air services between the two countries to continue." He said a temporary operating permit for the state-run airline would expire Oct. 31. The airline has three flights to London weekly.

The ban followed the conviction Sept. 26 of a Palestinian doctor on charges of receiving four grenades. The court was told they had been picked up at London's Heathrow Airport from a man wearing a Libyan Arab Airlines uniform.

and some senior officials are concerned that this was actually in part a response to the administration's deception campaign.

Of greatest concern to U.S. officials are reports considered reliable but still inconclusive that Libya

had a direct hand in the Sept. 5 attack on a Pan American World Airways jet at the Karachi airport in Pakistan, according to informed sources.

The objective of the deception plan, the August memo said, was to keep Colonel Gadhafi "off balance" and to portray him as "paranoid and ineffective" so that "forces within Libya which desire his overthrow will be emboldened to take action."

The president, Mr. Poindexter and nine other key officials discussed the plan Aug. 14.

Soon after, administration officials told reporters that the United States had new intelligence indicating that Colonel Gadhafi was again stepping up his terrorist plans, following a lull after the April 14 bombing raid against Libya.

But Mr. Poindexter's memo to Mr. Reagan and other sources confirmed that there was no significant, reliable intelligence in mid-August to suggest that Colonel Gadhafi had increased plans for terrorism.

Officials acknowledged in their internal discussions that the deception plan was risky. "Gadhafi may lash out against Americans and regional friends with terror and subversion," said a White House memo.

The plan approved by Mr. Reagan did not specifically call for planting false stories in the U.S. media. A State Department planning memo, however, did provide that "U.S. government back-grounds media on (1) three-ring circus in Libya with in-fighting among groups jockeying for pos-

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## INSIDE



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■ After early welcome, Appalachian town now renews growth of a Hare Krishna sect. Page 4.

## Mexico Loan Pact Sets Precedent, Bankers Say

By Eric N. Berg

New York Times Service

WASHINGTON — The tentative agreement on lending to Mexico will set a precedent for debt talks with other nations, according to bankers.

Mexico could get as much as \$13.7 billion in new money under an agreement reached late on Tuesday.

While details must be resolved, there was a sense of relief in the banking community that the negotiations had averted a crisis.

"This takes some pressure off the banking system," said Konrad Rumpold, a board member of Oesterreichische Länderbank AG, Austria's second-largest commercial bank.

The agreement has three parts. It alters the terms of Mexico's existing debt. It provides for \$6 billion in new bank loans to supplement \$6 billion in loans expected from official sources. And it calls for banks to provide \$1.7 billion in additional loans should Mexico's economy falter.

It was this last point that intrigued the banking community. Bankers noted that never before has a country's financing been tied to its economic performance.

And while the negotiators rejected the notion that a precedent was being set, outside experts said that was clearly the case.

"It will certainly have an impact on the bargaining packages other countries perceive they can place before the IMF or their banks," said Robert L. Rothenberg, a debt expert in the Carter administration and now Harvey Picker professor

of international relations at Colgate University, New York.

A. Beltram-Del-Rio, head of the Mexico group at Wharton Economic Research Institute, said: "The debt accord is unlikely to end Mexico's economic troubles, analysts say. Page 17.

metrics, an economic research company based in Pennsylvania, said: "We know already that the Filipinos are looking at the Mexican package to see if they can get similar terms."

"I presume that this will be hap-

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## Sakharov Sends Memoirs to West

By James M. Markham

New York Times Service

FRANKFURT — Andrei D. Sakharov, the dissident Soviet physicist and Nobel Peace Prize laureate, has written his autobiography and has managed to smuggle it to the West, where it will be published after being edited, his son-in-law announced Thursday.

At a news conference held during the annual Frankfurt Book Fair, the son-in-law, Eilam Yankelevich, disclosed that the Soviet scientist had begun his memoirs in the late 1970s. Mr. Sakharov completed the autobiography in 1983, he added, despite repeated sei-

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مكتبة الامم المتحدة



# Iceland Pulls Out Stops For Superpower Meeting

Compiled by Our Staff From Dispatches  
**REYKJAVIK, Iceland** — The government here, scrambling to prepare for the coming superpower meeting, has granted the prime minister emergency powers, mobilized every member of its modest security forces, and intensified the screening of foreigners entering the country.

But the suddenness of the decision to hold the meeting here, coupled with a lack of information from U.S. and Soviet officials, has severely hampered planning, Prime Minister Steingunnur Hermannsson said Thursday.

The cabinet authorized Mr. Hermannsson on Thursday to take the special measures needed to host the meeting Oct. 11 and 12 between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader. The meeting is planned as a preparatory meeting for a larger summit meeting, whose date has not yet been decided.

Those powers, which must be ratified by the Althing, Iceland's parliament, will enable the government to take over hotels and to vacate schools for use as media centers.

Mr. Hermannsson said Thursday that he understood the difficulties of arranging the summit on such short notice. But he said he was informed only Wednesday morning that 10 American officials were arriving the same night and that only on Wednesday night did

he learn that 60 Americans and 40 Soviet citizens were flying in on Thursday.

It was on Monday that Mr. Hermannsson was told by Washington and Moscow that his country had been selected for the meeting. He said the 162-room Saga Hotel, the most luxurious of the capital's hotels, had tentatively been selected as the site of the meeting.

The hotel has told its guests they must leave by Oct. 8 and Icelandic immigration officials were turning back foreigners with no valid reasons for traveling to the island after Oct. 9.

Two schools near the hotel are being prepared to serve as press centers.

Reykjavik, a quiet town of 90,000 inhabitants which got its first snow early Thursday, has only 12 hotels. The logistical problems in accommodating the meeting seem huge and the government has appealed to townspeople to rent out rooms.

The government was considering letting ocean liners stay docked in the city's harbor as a means of accommodating the many journalists who have asked for credentials.

Mr. Hermannsson said that every member of Iceland's security forces — the usually unarmed police, civil defense reservists and the coast guard — was being mobilized to help protect the two leaders. He said about 700 or 800 such people were available.

He also said that U.S. and Soviet



NYT

bodyguards would be allowed to carry "the weapons they are used to carrying" provided they coordinated all their activities with the Icelandic security services.

Mr. Hermannsson, 58, who has been prime minister since 1983, has no bodyguard of his own.

The Viking Commando, Iceland's 15-man rapid attack team, has begun intensive training as part of the security measures for the meeting.

It is the nearest thing Iceland has to a military force. The republic of 204,000 inhabitants has no army and relies for its defense on the U.S. Air Force and U.S. Navy detachments at the NATO base at Keflavik, outside the capital.

Iceland is more nearly equidistant between Moscow and Washington than London, the other city considered as a venue for the summit meeting. The choice of Iceland also apparently reflected a desire to restrict publicity and avoid security problems.

(AP, UPI, Reuters)

# A Perplexed Irina Orlov Prepares to Leave Soviet

By Celestine Bohlen

Washington Post Service

**MOSCOW** — Irina Orlov has been living in a daze.

First came the rumors, called in by hopeful friends. Then an American reporter phoned to tell her that Yuri Orlov, her husband, was to be freed to the West after nine years of prison, labor camp and internal exile, and that she would go with him.

The news was confirmed Wednesday in Pravda, the Communist Party newspaper, which quoted Foreign Minister Eduard A. Shevardnadze as saying a decision had been made about "a certain Orlov."

[A family friend said Mrs. Orlov was told Thursday by a Soviet official that she would soon be flown to the United States with her husband, the Los Angeles Times reported from Moscow.

[She paid 900 rubles, about \$1,350, for her airline ticket after being told to do so by the Soviet visa office, the family friend said. Mrs. Orlov was not told the date or exact destination of the flight.]

As of Wednesday, Mrs. Orlov, 40, who was interviewed in the presence of close friends, did not know where her husband was, when she would hear from him, where they will meet — and, finally, where they will live.

A friend recalled that when Anatoli Shoharansky was released in February, the Soviet prison authorities gave him clothes that were several sizes too large.

"That reminds me," Mrs. Orlov said suddenly. "Yuri doesn't have any trousers. I mean, he has some, but they are old and tattered."

Mrs. Orlov last saw her husband, now 62, early last month, when she made her seventh trip to the Siberian settlement of Kobylai, about 150 miles (240 kilometers) northeast of Yakutsk.

Mrs. Orlov, a founder of the Moscow Helsinki Watch Group, has served half of his five-year sentence to internal exile there. Before that, he served seven years, first in prison and then in a labor camp.

After leaving the labor camp in the Urals in March 1984, he was sent to internal exile to northeastern Siberia. For the first 15 months in Kobylai, Mrs. Orlov said, her husband lived in a workers' hut, sleeping on a wooden platform with 12 other men who were building a local nursery school.

He first worked as a guard at the construction site. But when, he turned 60, he was able to retire, his right under Soviet law. Last summer, he was able to rent a room for himself and his occasional visitors.

Conditions in Kobylai were harsh. There was no running water. In winter, Mr. Orlov had to chop his own wood for heat and to cut chunks of ice out of a nearby lake to use for washing.

In the summer, he had to bring water from the lake, which was besieged by mosquitoes. He had to chop his own wood for heat.



Irina Orlov

Relations with the villagers were strained. According to Mrs. Orlov, her husband was assaulted on the street by two men in the spring of 1985 for no apparent reason.

Still, he managed to finish two scientific papers, and even wrote to the Soviet Academy of Sciences to ask permission for them to be printed. He never got an answer.

Mrs. Orlov, who has a degree in art history, helped support him from afar, with her visits and her campaigning on his behalf.

It was expensive: The airfare to Kobylai, which involves three flights and eight hours of flying, costs about \$380 each way.

Neither of the Orlovs, who were married in 1967, had ever sought to emigrate.

"The system is monstrous," she said. "But this is where I was born. This is still my country."

# WORLD BRIEFS

## Mitterrand Bars Redistricting Decree

**PARIS (AP)** — President François Mitterrand refused Thursday to sign a decree redrawing France's election districts, forcing Prime Minister Jacques Chirac to take his proposal to Parliament.

The controversy over redistricting between the Socialist president and the conservative government. Mr. Mitterrand's office said that after having studied the proposed decree, he had decided to "hold to the republican tradition that would have the National Assembly itself determine the circumstances of elections." New district lines must be drawn because of previous legislation abandoning the proportional representation system.

Officials of the Socialist and Communist parties have complained that the redistricting proposal was designed to ensure conservative majorities in the future. The center-right coalition government has a majority of three seats in the 577-member National Assembly, but the redistricting proposal could face amendments there.

## Former Nazis Reportedly in Australia

**SYDNEY (AP)** — The government's War Criminals Review Board promised Thursday a prompt investigation of new claims that as many as 215 Nazi war criminals were living in Australia.

Andrew Menzies, who heads the panel, said the names would be checked and compared with material gathered for a separate inquiry due to be completed in November.

In New York on Wednesday, the Simon Wiesenthal Center for Holocaust Studies gave a list of 40 suspected war criminals to Australia's foreign minister, Bill Hayden, at the Australian mission to the United Nations. The dean of the center, Rabbi Marvin Hier, said 150 to 175 more names would be turned over next month.

## NASA Reassigns Head of Space Center

**HOUSTON (AP)** — Jesse W. Moore, who was in charge of the space shuttle program at the time of the Challenger disaster, is resigning as director of the Johnson Space Center, the National Aeronautics and Space Administration said Thursday.

Mr. Moore, 46, will be reassigned to NASA headquarters in Washington at his own request, the announcement said. He will serve as special assistant to the general manager there, and is expected to apply for a sabbatical leave, NASA said. Aaron Cohen, an air force lieutenant general who is director of research and engineering at the Johnson Space Center, has been appointed to succeed Mr. Moore as director of the Houston facility.

With Mr. Moore's reassignment, all of the directors of NASA's major space centers have been replaced since the Challenger accident. Mr. Moore was named associate administrator for space flight, which put him in charge of the shuttle program, in 1984. He was named director of the Johnson Space Center on Jan. 23, five days before the Challenger explosion, and was still functioning as director of the shuttle program at the time of the accident.



Jesse W. Moore

# Filipino Rebel Leader Is Indicted; Manila Rebuffs Communist Protests

By Seth Mydans

New York Times Service

**MANILA** — The Philippine government charged a captured Communist leader with rebellion on Thursday, and shrugged off protests by his comrades that his continued detention could harm peace talks.

The Justice Ministry said charges were filed Thursday with the Manila Regional Trial Court against Rodolfo Salas, 38, variously identified as the chairman of the Communist Party of the Philippines and as the head of its armed wing, the New People's Army.

The charge of rebellion could carry the death penalty upon conviction.

He and his wife, Josefina Cruz, and bodyguard, Jose Concepcion, who were captured with him Monday, were charged with "war against the forces of government, destroying property and committing serious violence."

The indictment said they staged "armed raids, sorties and ambushes" and that as they seized weapons around the country "victims were mercilessly killed simply for the purpose of obtaining possession of their firearms."

In a statement, the Communist negotiators, Saturnino Ocampo and Antonio Zamek, called for Mr. Salas' immediate release.

But they added: "Mrs. Aquino must make up her mind whether she wants the peace talks to proceed or not. The fate of the peace process is now in her hands."

In some of the harshest criticism of Mrs. Aquino to appear in the Philippines, the statement put the burden on the president to take control of the military and set policy for the negotiations.

"It is not enough that Mrs. Aquino professes concern — as she often does — over the unabated violence especially in the countryside," it said.

"As commander-in-chief, she must stop her troops from committing armed provocations upon the revolutionary forces and atrocities upon the people. She cannot favor or evade responsibility for her own troops' crimes and abuses."

The statement also said the president must guarantee the safety of those involved in the negotiations and order the military "to stop sabotaging the peace talks by their slanderous statements and intensified military operations."

It accused the military of a deliberate attempt to sabotage the talks.

Teodoro Benigno, the president's press secretary, said: "The question of the capture of Commander Salas is nonnegotiable" but added: "The doors are open for a continuation of the talks."

In a separate development, Mrs. Aquino's brother-in-law Agapito Aquino said the government was "leaning toward peace" with a Muslim separatist insurgency.

Mr. Aquino, who has acted as emissary to the Moro National Liberation Front on the southern island of Mindanao, said initial talks could be held next month.

Mrs. Aquino met Nur Misuari, leader of that insurgency, last month, and agreed to hold talks toward an end to the largely quiescent insurgency, which claimed more than 50,000 lives in the 1970s.

## Senate Rejects More Aid

The U.S. Senate rejected Thursday another attempt to increase U.S. aid to the Philippines after opponents called the move a "back-door" effort to kill aid to rebels fighting Nicaragua's leftist government. The Associated Press reported from Washington.

The Republican-controlled Senate voted, 57-41, to table, and thus kill, the proposal to add \$200 million to the Philippine aid package by taking that amount from money allocated for Central America.

The vote came as the chamber dealt with a stopgap spending bill to appropriate money for much of the federal government, including foreign aid programs.

# MEMOIRS: France, Fearing Attacks, Halts All Police Leaves

By Richard Bernstein

New York Times Service

**PARIS** — For the first time in 18 years the government has canceled all police leaves, and warnings by senior officials that a new wave of terrorist attacks could begin soon.

The last time that all of the police in the country were mobilized and leaves were canceled was during the huge student and worker demonstrations of May 1968.

"The repeated threats of which our country is the target cannot be taken lightly," said Robert Farnand, the deputy justice minister in charge of security, on Wednesday. He called on the French people to be "vigilant."

The government's appeal for vigilance was similar to one it made early in September before a wave of bombings began in Paris. That series of attacks, mostly in crowded commercial districts, left 10 people dead and 162 wounded in less than two weeks.

Prime Minister Jacques Chirac said Wednesday that "suspected" were being directed at certain Middle Eastern countries, but he added: "Nothing today allows us to accuse this or that country of complicity in the attacks."

"We are very concerned," said a senior government official, commenting on the police mobilization in a telephone interview Wednesday. "We have reason to believe that the network that the terrorists already have on the ground in France could be activated for a new phase of the campaign."

Police officials were said to be particularly concerned about security in the next few days.

Pope John Paul II is due to visit Lyon this weekend, and extraordinary security measures are being planned for his stay. Jews also will be celebrating the New Year this weekend, and police officials are known to be concerned about providing protection for France's several hundred synagogues at the same time that a large security force is needed for the estate.

France, with an estimated 600,000 Jews, has the largest Jewish population in Western Europe. The renewed warnings seemed to

imply that a recent round of negotiations apparently aimed at securing diplomatic support for an end to the attacks was not succeeding.

The minister of cooperation, Michel Arnal, held talks in Damascus with Syrian leaders last week. But officials in Damascus have said that the Syrians showed little inclination to share police intelligence with the French about the group suspected of carrying out the bombings.

Syria has denied backing the group, but intelligence reports that are being leaked to the press indicate that the French government strongly believes that the Syrian secret service has aided the attackers.

In another development, a former head of the French secret service has recounted that French threats of retaliation in 1982 led Syria to halt, at least for a while, what he called its support of terrorist activities in French soil.

Pierre Marion, the head of the French external intelligence service from 1981 to 1982, said in an interview published this week that he had two long meetings in France with Rifkat al-Assad, the brother of President Hafez al-Assad of Syria, who is believed to be in charge of Syria's secret services.

Mr. Marion, interviewed by the magazine Le Nouvel Observateur, said: "I looked him in the eyes and I said, 'Your excellency, you are going to promise me that there will be no more terrorist attacks in France.'"

"He promised it to me, and he kept his word," he said.

Mr. Marion's revelations were an unusual acknowledgment by a former senior official that the French at that time believed that Syria was backing terrorist activity in France.

Mr. Marion said his first meeting with Mr. Assad took place at a country house near Saint-Nom-Breche.

"After the second meeting he gave me his word that Abu Nidal would no longer operate on French territory," he said.

# Mrs. Marcos Refuses 200 Questions

By Mark Fineman

Los Angeles Times Service

**HONOLULU** — Imelda Marcos, crying and clutching a rosary, refused to answer more than 200 times as Philippine government attorneys questioned her under oath about allegations that she and her husband, Ferdinand E. Marcos, stole billions of dollars from the national treasury while he was president of the Philippines.

Mrs. Marcos, questioned Wednesday at her home in exile in Honolulu, declined to answer under the Fifth Amendment of the U.S. Constitution, which provides the right against self-incrimination.

When she was asked who planned the 1983 assassination of Benigno S. Aquino Jr., the former dissident Philippine senator and husband of President Corason C. Aquino, Mrs. Marcos's lawyers intervened and barred her from answering the questions.

Mrs. Aquino has said the Marcoses are her prime suspects in the assassination. No criminal charges have been filed against them.

Mrs. Marcos's more than four hours of testimony were videotaped and recorded by an official court reporter under a recent ruling by U.S. District Court in Los Angeles. The Philippine government has sued the Marcoses in Los Angeles to recover at least \$2 billion it claims they diverted for their own use during Mr. Marcos's 20 years in power.

Mrs. Marcos refused to answer questions on subjects ranging from her jewelry collection to allegations that she diverted U.S. aid funds to her personal use while serving as governor of Manila and head of the Philippine Economic Support Council.

A day earlier, during a similar deposition, Mr. Marcos invoked his Fifth Amendment right 197 times.

Mrs. Marcos broke down and cried Wednesday when asked whether she and her husband owned an interest in a nearby Honolulu mansion where the couple stayed briefly after fleeing Manila in February.

Attorneys for the Philippine government cross-questioned Mrs. Marcos about documents they introduced in evidence showing that she had used two aliases, Jane Ryan and John Lewis, to open Swiss bank accounts early in her husband's tenure in office.

Time magazine is expected to publish excerpts from "Alone Together" in its Oct. 13 issue, according to Alfred A. Knopf Inc., which holds the American rights to both the Bonner memoir and the future Sakharov autobiography.

Robert Bernstein, the head of Random House, which owns Knopf, said he had "no doubts whatsoever" about the authenticity of the Sakharov manuscript.

He said that the Bonner memoir details various KGB thefts of the manuscript, including a 1981 incident when Mr. Sakharov was sitting in his car. The thefts forced the physicist to write again what he had already written.

After one theft, according to Mrs. Bonner's memoir, Mr. Sakharov's expression "was that of a man who had just learned of the death of someone close to him. But after a few days he would sit down at his desk again. Andrei has a talent for finishing what he starts."

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To inaugurate its centennial year,  
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# THE PARIS LIBERTY FLAMIE APPEAL



The recent celebrations surrounding the rededication of the Statue of Liberty in the New York harbor have focused new attention on an ever important fact: Frédéric-Auguste Bartholdi's monumental statue is not only a powerful work of public art but also a moving example of international generosity.

The Statue was, of course, a gift to the United States from the people of France — and a broad cross section of the French public participated in the giving. A purely private organization, the Union Franco-Américaine, was organized to raise the necessary funds and over 100,000 individual subscriptions were recorded from 181 towns and cities throughout France. Coming in the late 1870's and early 1880's, when the country was still reeling from effects of the Franco-Prussian war, this collective outpouring of affection and goodwill from one people to another was truly unprecedented.

It therefore seemed natural to Americans then living in Europe to express their gratitude, and, in 1885, a group of them gave as a gift to the French people the reduced size replica of the Statue of Liberty which today stands in Paris on the Ile des Cygnes in the middle of the Seine, opposite the Quai du Président-Kennedy.

In this, the Statue of Liberty's centennial year, it seems appropriate that members and friends of the Franco-American community should make a similar gesture of gratitude and goodwill. In the wake of the tremendous attention and investment that has properly been focused on the restoration of the New York Statue, it now seems right that attention also be directed to the European side of the Atlantic — and to an exciting project

which has a similar symbolic importance.

That project is the creation of a new Paris Flame of Liberty, a striking public monument to be erected on a prominent site in Paris and to be built around a very special piece of sculpture, — a full-sized duplicate of the flame which now glistens atop the up-raised arm of the New York Statue.

The International Herald Tribune, which entered its own one hundredth year in October of 1986, has decided to mark the conjunction of its centennial with that of the Statue of Liberty by sponsoring an international fundraising appeal to make this project possible.

In 1985, when the restoration of the Statue of Liberty was started in New York, Les Métalliers Champenois, a group of outstanding French artists, was asked to undertake the highly specialized work of building a new flame for the Statue, using a technique called "repoussé," identical to Bartholdi's original method. Upon completion, the new flame was gilded by the Paris firm, Ateliers Robert Gohard.

Bartholdi's design for the torch and flame was never fully implemented a century ago, and even the Statue's original flame was soon modified, enabling the flame to be lit from the inside but also allowing for water leakage which eventually damaged the Statue.

When the recent restorations were planned, it was decided that the torch and flame should be replaced entirely. Considerable effort was then made to recover Bartholdi's original flame design mostly by reviewing the few existing photographs of the flame dating back to the 1880s. The flame, together with its torch thus became the one part

on the Statue which was newly created for the centenary, as well as the one element

(this time around) which was created by French artisans.

Today, Les Métalliers Champenois are ready to begin work on a second such flame, a full-sized replica of the first — with the approval of the United States government and using the same molds which were created for the New York project. The duplicate flame will then be transported to France, where French officials have assured it a warm welcome at a prominent, permanent site in Paris. There it will stand as a beautiful and highly visible monument, celebrating for us and for future generations both the spirit of Liberty and the spirit of international cooperation.

It is estimated that this project (including construction of the duplicate flame, transport and erection in Paris) will cost about U.S. \$400,000 — and this is the amount we are undertaking to raise. Working together with our sponsors, Kevin MacCarthy Associates, an international law firm located in New York City, the IHT has established a non-profit corporation, France-America Liberty Fund, Inc., to which tax-deductible contributions can be made. We are pleased that the American Club of Paris has announced their full support and participation in this project.

Founded in Paris on October 4, 1887, the International Herald Tribune is the oldest American newspaper published abroad. Ever mindful of its own deep Paris roots and of the warm relations it has enjoyed throughout the century with the people of France (including many of its own employees,

readers and advertisers), the International Herald Tribune is proud to take the lead in this undertaking.

In doing so, the IHT echoes the role played 100 years ago by Joseph Pulitzer's New York World, when that newspaper sponsored the public fundraising effort for the Statue of Liberty's monumental pedestal — and thus made it possible to erect the original Statue.

In an age which is too often characterized by rapid swings in popular emotion on both sides of the Atlantic, we feel it is important to reaffirm two truths which have stood the test of time: the fundamental value of Liberty in our way of life and government, and the enduring strength of Franco-American friendship.

The France-America Liberty Fund, Inc. welcomes contributions of any size and will acknowledge all gifts (unless otherwise instructed by the donors) by publishing periodic announcements listing the names of the contributors in the International Herald Tribune. The names of major donors will be inscribed on a plaque at the base of the monument.

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# After Initial Welcome, Appalachia Town Resents Growth of Krishna Center

**By Lindsey Gruson**  
*New York Times Service*  
**MOUNDSVILLE, West Virginia** — Before leaving for work each morning, Alfred Clark slips a silver-plated .38-caliber revolver into his jacket pocket.

"I always keep it pretty close," said Mr. Clark, the county assessor, who said he had been advised to carry the gun by the Marshall County sheriff. "It scares me to death, but I guess I have to. It's just a matter of time before trouble hits."

That sentiment appears to reverberate through this mountainous Appalachian county 70 miles (113 kilometers) southwest of Pittsburgh. It is a counterpoint to the chants of the saffron-robed Hare Krishna disciples, who have built the sect's largest encampment in North America nearby.

Many residents once saw the Krishnas as a source of desperately needed jobs. But now they say they resent the sect's sprawling estate, an unincorporated village named

New Vrindaban, as an institution that lives off the community but does not contribute adequately to it financially or socially.

They say the sect is beset by an internal battle and say they fear violence.

They see the Krishnas as a rich organization that has bought a nearby mountaintop as the first step in taking over a hard-pressed community that does not have the money to fight back.

"They're no-good, tax-exempt vermin," said Tim Minor of Moundsville.

More than 600 sect members now live on the 5,000-acre estate. It is a combination of temple, religious theme park and tourist center perched on the rolling hills of McCreary's Ridge.

Since the sect took over a dilapidated farmhouse on the ridge in 1968, it has turned the tree-crowded hills into a booming town. Krishnas have cleared acres of forest and built houses, roads, metal shops, a lumber mill and a school.



The sect considers the Hindu Bhagavad-Gita as its sacred book and Krishna as the personality of God. It espouses nonviolence and vegetarianism and believes that ordinary people who chant and lead austere lives transcend their material bodies and reunite with God.

Spokesmen of the sect say that local officials are fanning residents' fears in an attempt to appeal to the sympathies of local voters.

"The local people who know us aren't suspicious of us," said Toshan Krishna, a spokesman. Friction between the church and residents, he and other sect leaders said, is an inevitable outgrowth of the clash between the sect's spiritualism and the materialism of those outside it.

It was perhaps unlikely that the area's tradition-minded coal miners and steelworkers would take kindly to these outsiders.

Nonetheless, the friction was not immediately apparent. The two cultures at first lived side by side in seeming harmony. When the winter wind whistled through cracks in the Krishnas' unheated, uninsulated home, neighboring farmers taught them survival skills.

But many of this town's 12,000 residents, who are overwhelmed by the size of the sect's development, say it seemed to go out of its way to alienate the community. They said sect members began panhandling and soliciting, sometimes refusing to take no for an answer until the police were summoned.

Residents also said the sect did not participate in activities that

have traditionally drawn the community together.

They say its members never turned up for the bake sales and fairs held to support the volunteer fire department.

The palace is a handcrafted temple whose gold-plated dome rises like a mirage above the trees. Sect officials say 200,000 visitors tour the palace's gardens, each year, to see the ornate temple. The tours cost \$4.

Although the tourists bring in money for the sect, town officials say the residents of Moundsville have not benefited. Tour buses take back roads from the highway, passing rousing farm machinery and trailer homes, but not Moundsville's commercial district.

So, they say, the sect has done little to offset the decline in the traditional pillars of area's economy: steel, coal and chemicals. The official unemployment rate still stands at 25 percent and the list of businesses that have closed in recent

years is nearly as long as the area's 1960 business directory.

But sect officials say they are a pillar of the community. They noted that the sect employs about 180 residents as construction workers and manual laborers and said its payroll contributed at least \$3 million a year to the local economy.

Many residents, however, said they felt the sect took advantage of the town because it paid real estate taxes on nothing but its residential estate. Mr. Clark, the assessor, has ruled that the temple is a business because it charges admission and should therefore pay the higher commercial tax rate. But the Krishnas have challenged that decision in court, arousing the ire of many residents.

"If that's religion I'll put a dome on my house and play guitar," said Howard Bayard, president of the County Commission. Mr. Bayard and many other residents predicted more problems.

"It's been kind of like a nightmare," said Mr. Bayard. "We've

put up with this for 20 years, hoping it's going to get better. But it's only getting worse."

The irritations turned to alarm last year when Steven Bryant, a former New Vrindaban resident who became disenchanted with the sect, charged that the Krishnas were stockpiling weapons and had drawn up a "hit list." He said the list included himself as well as Mr. Clark, Sheriff Donald Bordenkircher and other local officials.

Mr. Bryant's allegations, which included charges that sect leaders were abusing children, were widely disregarded. But when he was slain in May in Los Angeles, he "brought instant credibility," the sheriff said.

Mr. Clark soon started carrying a gun and other officials asked the police to increase patrols.

Tales about misdeeds by Krishna adherents are given wide circulation, although there is little or no evidence to support them. Toshan Krishna, the spokesman, disputed any conclusion that the residents feared or distrusted the sect.

representatives to the funeral of the assassinated president of Egypt, Anwar Sadat.

And it was also a rare display of respect by two leaders who have never made any secret of their mutual dislike and disagreement.

The new presidential center dedicated Wednesday consists of four half-colored circular buildings linked by walkways and set in a semicircle around a lake with a Japanese garden.

The center was built with \$25 million in private donations.

Besides a presidential library and museum containing more than 27 million pages of documents from his administration, the center houses a global public policy "think tank," known formally as the Carter Center of Emory University, and two other organizations devoted to international issues.

The library and museum will be run by the National Archives and Records Administration.



**'If that's religion I'll put a dome on my house and play guitar. It's been kind of like a nightmare.'**

— Howard Bayard, president of the County Commission

## Official Links Carter, Reagan Bury Idaho Blasts, Hatchet at Ceremony Rights Effort

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**Official Links Carter, Reagan Bury Idaho Blasts, Hatchet at Ceremony Rights Effort**

**By Lou Cannon**  
*Washington Post Service*

**ATLANTA** — In a speech marking the dedication of the Carter Presidential Center here, President Ronald Reagan has paid tribute to the "distinctively American" life of the man he defeated in 1980 after a bitter campaign.

"You gave of yourself to your country, gracing the White House with your passion and intellect and commitment," Mr. Reagan told Jimmy Carter at the ceremony, which was held Wednesday on the pastoral hilltop overlooking downtown Atlanta where General William Sherman watched the burning of the city during the Civil War.

Mr. Reagan credited Mr. Carter for doing "so much to free" the Americans held hostage for 444 days in Iran. But that remark and his praise of Mr. Carter for achieving "a breakthrough for peace in the Middle East" were his only references to the presidential policies of his predecessor.

Mr. Reagan made no attempt to gloss over their deep differences on many issues.

"None of us Wednesday feel any urge, in the name of good will, to downplay our differences," he said. "On the contrary, in a certain sense we can be proud of our differences because they arise from good will itself — from love of country, from concern for the challenges of our times, from respect for, and even outright enjoyment of, the democratic process of disagreement and debate. Today, our very differences attest to the greatness of our nation."

Mr. Reagan concluded his speech by wishing happy birthday to Mr. Carter, who turned 62 Wednesday, and adding, to laughter and applause, "Life begins at 70." The president is 75.

Mr. Carter shook Mr. Reagan's hand after the speech, saying he had never heard a tribute that was "more gracious and more generous and more thoughtful" than, with a smile, he said, "As I listened to you talk, I understood more clearly than ever in my life why you won in 1980 and I lost."

It was the first time the two men had met face to face since October 1981, when Mr. Reagan sent the three living former presidents — Mr. Carter, Richard M. Nixon and Gerald R. Ford — as his personal

**Zaccaro Cited By N.Y. Jury In Bribe Case**

*New York Times Service*

**NEW YORK** — John A. Zaccaro, the husband of Geraldine A. Ferraro, the Democratic vice-presidential candidate in 1984, has been indicted on criminal charges by a grand jury investigating allegations of bribery in the awarding of cable television franchises, according to his lawyer.

The grand jury handed up the charges Wednesday, as lawyers for Mr. Zaccaro, in a rapid series of legal motions in courtrooms in two boroughs, had sought to forestall an indictment.

Mr. Zaccaro's lawyer, Robert G. Marvillo, said his client had been named in a sealed indictment handed up in State Supreme Court in Queens, New York. But, Mr. Marvillo added, prosecutors would not give the details of the charges. He denied any wrongdoing by Mr. Zaccaro.

Thomas McCarthy, a spokesman for Queens District Attorney John J. Santora, whose office is conducting the inquiry, would not provide any information about the indictment or say why it had been sealed.

This was the second time in two years that a grand jury has indicted Mr. Zaccaro, 53, who is a real estate and insurance broker. His wife is a former U.S. representative from Queens and was Walter F. Mondale's running mate on the 1984 Democratic presidential ticket.

As with the charges in the earlier indictment, the cable television inquiry focused on allegations of wrongdoing by Mr. Zaccaro in the several years immediately preceding the 1984 campaign.

Lawyers familiar with the grand jury investigation said that testimony had been presented affirming that in 1981 Mr. Zaccaro had helped introduce executives of a cable television company to Donald R. Mannes, then the Queens borough president, and later asked for a \$1-million payment to help the company purchase a franchise in the borough.

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# As South Africa Stifles Organized Resistance, Wildcat Violence Grows

By Allison Sparks  
Washington Post Staff Writer

JOHANNESBURG — Another black policeman was found dead in Deynton township last weekend. He had been shot in the head, and his body had been dumped under a clump of bushes in the dusty, crowded ghetto east of Johannesburg.

Three and a half months after the biggest crackdown on black dissent in South Africa's history, the government of President P. W. Botha asserts that it is at last getting on top of the persistent unrest that has ravaged South Africa since September 1984.

The official Bureau for Information, the only authorized source of news about the unrest since stringent press restrictions were introduced June 12, says that the number of incidents fell in August to their lowest level this year and are still declining.

But attacks on black policemen, township councillors and others accused of "collaborating" with apartheid continue. The post-week has also seen a bombing in a Johannesburg hotel, a hand-grenade explosion in a multi-racial nightclub and two bomb attacks on the homes of white officials working for township administrations, prompting fears that the violence may be spreading into white areas.

Independent monitoring groups in Johannesburg, asked whether the violence indicates that the government's attempts to stamp out unrest are failing, say that much of the organized political resistance has been disrupted by the crackdown. But they add that the official reports conceal a growing amount of wildcat violence by bands of angry, leaderless youths.

Organization has become very difficult with leaders either in detention or in hiding," said Audrey Coleman, a spokeswoman for a monitoring group called the Detainees' Parents Support Committee. "But the people, especially the youth, are becoming angrier than ever."

The crackdown is on an unprecedented scale, even for a country with a long record of repressing political dissent. The support committee estimates that 16,000 political and community leaders have been detained since the state of emergency was declared June 12. That is double the number detained during the 1960 state of emergency, when the government outlawed the main black nationalist parties, the African National Congress and Pan-Africanist Congress, and sought to eradicate their following.

Thousands more are being held under other statutory security laws, according to the support committee's monitors. The government has announced the names of 9,337 detainees who have been released after being held for at least 30 days. The detainees include almost the entire leadership of the 800 community organizations and labor unions affiliated to the United Democratic Front, the country's major alliance of black nationalist groups.

Allegations of torture under interrogation persist. The authorities deny that detainees are mistreated, but Law and Order Minister Louis Le Grange acknowledged recently in a speech that 464 detainees had been admitted to hospitals between July 12 and Aug. 26.

There is a very large military and police presence in all the major black townships. Business Day, a leading financial newspaper published in Johannesburg, reported last week that 80 percent of the country's 55,000 police officers were deployed in the townships.

The police and troops patrol the townships constantly in big armored personnel carriers. Residents say that they open fire with tear gas or shotguns, sometimes using live ammunition, on any gathering that fails to disperse immediately when ordered to do so.

Several of the more troubled townships have been sealed off with blade-wire security fences that make them look like concentration camps.

Residents report that black schools are under military occupation, with armed soldiers and policemen stationed in classrooms to monitor what is said and to screen pupils, who must wear identification discs.



Louis Le Grange

tion, with armed soldiers and policemen stationed in classrooms to monitor what is said and to screen pupils, who must wear identification discs.

Neil Ross, head of a monitoring group run by the white liberal Progressive Federal Party, says it appears that the black activist organizations have been badly disrupted but have not been put out of action and that popular support for them remains strong.

While organized protest has diminished, general unrest has not, Mr. Ross said. He says that the information bureau's daily reports consistently omit a number of incidents of unrest of which his group is aware.

For example, he said, the bureau does not regard incidents resulting from the eviction of rent boycotters as being related to unrest.

Similarly, incidents involving black vigilante groups, who often collaborate with the police, are attributed to "factional fighting" instead of politically related unrest, Mr. Ross said.

Using a wider definition of unrest than the bureau does, Mr. Ross's monitoring group estimates that there were 277 unrest-related deaths between June 12 and September 14, compared with 322 during the entire seven months of the previous state of emergency that ended in March.

What appears to be happening, some political analysts say, is that as the police action erodes the leadership of the black organizations, there is less control over the angry black youths, many of whom are becoming what is known in the townships as "street comrades" or gangster activists.

Mr. Le Grange appears to recognize that something is wrong. In a recent speech he noted that "a stronger criminal element" was emerging in the townships. He said that "murders by black agitators" had increased from 35 percent of all unrest incidents last year to 70 percent since a state of emergency was declared June 12.

# VETO: Congress Passes Sanctions

(Continued from page 1)

determine whether the call had violated the Logan Act, which forbids direct negotiations between members of Congress and foreign officials.

Mr. Botha's call was at the center of the final Senate debate on the sanctions issue. Some conservatives sharply criticized Senator Richard G. Lugar, an Indiana Republican, chairman of the Senate Foreign Relations Committee, in fighting for the sanctions bill and for opposing Mr. Reagan on the override issue.

"He is substituting his judgment for that of the president of the United States in the matter of foreign policy," said Senator Malcolm Wallop, a Wyoming Republican. "That is a heavy burden to take on."

Others denounced Mr. Botha. Senator Ernest F. Hollings, a South Carolina Democrat, said: "This foreign minister phones here and starts talking about a bushel of wheat; it's outrageous nonsense."

Treasury Secretary James A. Baker 3d said Thursday that Mr. Botha's call might have created a backlash against Mr. Reagan's efforts to maintain his veto.

Mr. Botha's tactic prompted Senator Lugar to accuse Mr. Botha of a "despicable" attempt at "intimidation and bribery."

Mr. Lugar said it had been "inappropriate" for Senator Jesse Helms, a North Carolina Republican,

can, to call senators off the chamber's floor, as he did, to speak with Mr. Botha on a phone in the Republican cloakroom.

Mr. Helms said he had nothing to apologize for. He said that in bringing senators to the telephone he was merely doing a favor for Mr. Botha, whom he described as a friend of 10 years.

Mr. Lugar quoted Senator Edward Zorinsky, Democrat of Nebraska, as having said that Mr. Botha told him, "The moment that you override President Reagan's veto, South Africa will immediately ban U.S. grain imports."

■ **Botha Derides Critics**  
William Claiborne of The Washington Post reported from Johannesburg:

Speaking before the sanctions vote, Mr. Botha dismissed as "absolutely laughable" the U.S. criticism of his threat to cut off shipments of U.S. grain.

"It's a bit ridiculous," he said, "to say that contact between a member of Parliament and legislators of another country is 'despicable.' If you rob us of our markets, we have to look out after the interests of our farmers."

He said he had explained to the four senators the impact of sanctions on millions of black farm workers in South Africa, and asked whether a cutoff of U.S. grain shipments "is in the interests of American farmers."

# DEBT: Loan a 'Precedent'

(Continued from page 1)

pening with Brazil and Argentina." According to participants in the Mexican talks, it was the International Monetary Fund, and in particular, Jacques de Larosiere, its managing director, that came up with the idea of linking loans to economic performance.

"The agreement is fed by the Baker initiative," said a representative from a New York bank involved in the talks.

The Baker initiative, put forward by the U.S. Treasury secretary, James A. Baker 3d, would provide long-term financial assistance to developing countries that take measures to make their economies more efficient.

The agreement "should provide growth for the Mexican economy, but if there are bumps along the way then there is the extra cash for them to go forward," the New York banker said.

Still to be decided, however, is how the "bumps" will be defined. The bankers and negotiators for Mexico resumed talks on details on Wednesday.

Sources said bidders were considering a number of ways for releasing the \$1.7 billion. Among the possible conditions are: if investment inside Mexico falls sharply, if overall economic activity does not reach certain levels or if the peso drops below a certain value.

Even then, the 15 large banks that devised the package will face obstacles. Mexico has total foreign debt of about \$98 billion, of which \$50 billion is owed to banks.

Mr. Rumpold predicted that Europe's big banks would support the package because "we are all sitting in the same boat and we have to row together."

But it is not clear whether nearly 500 small and midsize banks that make up Mexico's bank creditors will go along as readily.

Particularly in the United States, the opposition could be intense. Many community and regional banks have moved away from international lending, focusing instead on consumer banking, investment banking and lending to midsize companies.

Although their comments Wednesday were preliminary and most regional bankers will undoubtedly be put under pressure to cooperate, many are expected to cringe at the notion of plunging back into Mexico.

"I think it will be a very tough sell," said David H. Dorniney, a senior vice president at First Union Bancorp. of Charlotte, North Carolina.

Still, there was a sense Wednesday that the Mexican agreement illustrated a spirit of cooperation by all parties involved. Experts called it encouraging that the Latin American countries, as evidenced by their finance ministers' remarks, as well as the banks and the U.S. government, were now thinking along the same lines on the debt crisis.

They all seem to favor the same approach, experts said: growth-oriented financial policies, increased lending and flexibility to confront contingencies.

# SENATE: Clashing Priorities

(Continued from page 1)

vision to restrict access by state prisoners to federal court.

But the leadership was forced to back down on all three issues when a group of Democrats and moderate Republicans threatened a filibuster.

Among the leaders of this group were Senators Joseph R. Biden Jr., a Delaware Democrat, Charles McC. Mathias Jr., a Maryland Republican, and Daniel J. Evans, a Washington Republican.

The sense of urgency and the lateness of the session worked in the group's favor. The leadership knew that the result of forcing the issue might be to have no bill at all. Everyone, in fact, knew that the bill was likely to be one of the last pieces of legislation to clear Congress before the end of the session.

There was a rush to add amendments unrelated bills that had encountered obstacles in earlier efforts at passage.

The most important of these was the Electronic Communications Privacy Act, which would require government agencies to obtain warrants before intercepting private communications carried by such new technology as electronic mail and cellular radio.

There were other amendments added to the Senate anti-drug bill, including new restrictions on telephoned pornography and tightened regulations for infant feeding formula.

These may become casualties of a House-Senate conference. But the biggest casualty of the entire effort may be something that no one guessed was at stake: the credibility of the Senate's commitment to a balanced budget.

# LABOR: N-Arms Rejected

(Continued from page 1)

will die on the whim of a U.S. president." Another speaker, John Owen-Jones, attacked the so-called "special relationship" between Britain and the United States, describing it as "the relationship of master and servant."

"There is nothing special about servility," he said. A third speaker, Florence Little, said that if the country kept U.S. bases, it would mean that Britons were "accomplices in America's crimes, victims to the succession of lunatics that the U.S. has elected as president."

The conference voted against a proposal to retain U.S. bases that was submitted by the leader of the engineering union, Bill Jordan, who said NATO strength had succeeded in keeping the peace in Europe since World War II.

"Twenty million people have died in wars since 1945, and people are still dying, but none of them were in a country protected by the NATO umbrella. He described the Warsaw Pact military alliance as "real, powerful and ready," with 9,000 warheads pointed at Britain.

# SUMMIT: Iceland Agenda Could Include Afghan War

(Continued from page 1)

States this year by Mr. Gorbachev. Canadian officials offered no indication as to when a full summit meeting between the U.S. and Soviet leaders might take place.

In Moscow, the Communist Party newspaper Pravda reported Thursday that there had been "no progress whatsoever" in recent arms talks in Geneva, but that recent developments elsewhere suggested that agreements could be reached in Iceland.

An article in the daily by Yuri Zhukov, an analyst, restated the view expressed by other Soviet officials that medium-range missiles seemed the most promising area for a U.S.-Soviet arms accord.

Mr. Zhukov said the Reykjavik meeting would be a working session at which the two leaders could "assess the situation and coordinate directives" for diplomats who might then prepare a Gorbachev visit to Washington.

In Bonn, Moscow's former chief negotiator on medium-range missiles was quoted Thursday as making a similar comment.

"This meeting is no substitute for the summit agreed on by Mikhail Gorbachev and Ronald Reagan at their first meeting in Geneva," the newspaper Die Welt quoted the negotiator, Yuli A. Kvitsinsky, as saying.

Mr. Kvitsinsky, now the Soviet ambassador to West Germany, said that the initiative for the Iceland meeting "came from our general secretary. It was delivered to President Reagan in the message brought to Washington by Foreign Minister Eduard Shevardnadze."

Mr. Shevardnadze met with Mr. Reagan in Washington on Sept. 19. "I think there will be better prospects," Mr. Kvitsinsky said. "In that context I would like to point to medium-range weapons, the important question of a nuclear test ban, and also a mutual renunciation of space weapons as well as any undercutting of the ABM treaty."

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ty," or anti-ballistic missile treaty of 1972.

Progress on these points would pave the way for an accord on strategic nuclear weapons, he said.

■ **Bonn Seeks Arms Pledge**  
The West German government plans to ask the United States to make a new demand on the Soviet Union that could make it significantly harder to reach an agreement on reducing intermediate-range nuclear missiles in Europe, according to West German officials and Western diplomats quoted by The Washington Post in Bonn.

The Bonn government will formally ask Washington to insist that any arrangement on such missiles include a pledge by the Soviet Union to begin talks on reducing some short-range missiles that threaten West Germany but that are not currently being considered in the U.S.-Soviet talks on the subject, West German officials said.

# DANILOFF: Reagan Meeting

(Continued from page 1)

that they had gone to unusual lengths to avoid a Soviet trial of Mr. Daniloff, partly for fear that Moscow could put together a seemingly credible espionage case against him.

They said that their concern for what might come out of a Kremlin-orchestrated show trial stemmed from the fact that Mr. Daniloff had acknowledged receiving a Russian map that turned out to be stamped "secret" and had had contact with a Russian "priest" now perceived as a KGB agent.

The officials emphasized that they were not suggesting that they considered Mr. Daniloff to have been involved in spying, but that the Russians might have been able to portray his actions in an embarrassing light.

Adding to their concern, an administration source said, U.S. officials had detected signs that Mr. Daniloff was weakening under psychological pressures being applied to him in Moscow's Lefortovo Prison. He was showing signs of the Stockholm syndrome — the tendency of prisoners to identify with their captors — the official said.

Such concerns help explain the complex deal engineered by the Reagan administration to win his freedom.

Responding to the suggestion that Mr. Daniloff was showing signs of the syndrome while in Soviet custody, U.S. News & World Report's editor, David R. Gergen, said Wednesday, "I don't know if I would go that far, but it was very clear he had been mentally manipulated. It seemed he was tiring at the end."

Mr. Daniloff, in an interview Wednesday night, rejected the suggestion that he had identified with his captors. During his interrogation by a KGB colonel, Mr. Daniloff said, "It became clearer and clearer that he was bent on fabricating a case that would make me look like a spy."

The potentially incriminating map depicted areas of Afghanistan and had the word "secret" stamped on it in Russian, according to a U.S. government source involved in the case. It was included in a group of documents that Mr. Daniloff received in the summer of 1985 from a Soviet acquaintance known to him as Misha. Mr. Daniloff had said that he sent material from Misha to his magazine, but that it was not published.

Misha was later identified as Mikhail Anatolevich Luzin.

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# LIBYA: U.S. Campaign of Disinformation Is Reported

(Continued from page 1)

Gadhafi era, (2) threat of resurgent terrorism."

When a report in The Wall Street Journal on Aug. 25 said that "the U.S. and Libya are on a collision course again," it was embraced publicly by Mr. Poindexter and the White House spokesman, Larry Speakes, who called the article "unbelievable."

On the basis of those endorsements, other news organizations carried reports summarizing the information.

The Journal's Aug. 25 story reported as fact various administration plans that were actually part of the deception plan described in the August memos.

The paper quoted "a senior U.S. official" as having said of Colonel Gadhafi: "There are increasing signs that he's resumed planning and preparations for terrorist acts." The Journal wrote: "The Reagan administration is preparing to teach the mercurial Libyan leader another lesson. Right now, the Pentagon is completing plans for a new and larger bombing of Libya in case the resurgent terrorism."

In fact, nothing new was being done, sources said. A White House planning document sent to Mr. Casey before the Aug. 14 meeting said that "Overt DOD," or Department of Defense, "operations will also be required to give credibility to rumors that the U.S. intends to take further military action."

U.S. and Egyptian forces conducted military exercises in the region in August. Sources said the exercises were carried out in a provocative manner, sending aircraft near enough to appear on Libyan radar.

One planning document said the false information should include articles showing that the Soviet Union was planning a coup in Libya.

Asked Wednesday about The Wall Street Journal's Aug. 25 report on Libya, the newspaper's managing editor, Norman Pearlstine, issued this statement:

"The reporting which produced our Aug. 25 story came from multiple sources in multiple agencies of the U.S. government as well as several foreign governments.

"If our government also mounted a complex disinformation campaign," the statement added, "we were among its many victims."

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OPINION

Herald INTERNATIONAL Tribune

The Pinch on Foreign Aid

Congress seems likely to cut the administration's foreign aid request by a sixth, more than any other major area of the budget.

the international lending organizations, has declined accordingly. The program is also bent out of shape in that about 40 percent of the aid in the bills on which the House and Senate are now at work would go to just two countries, Israel and Egypt.

Mexico: A Good Accord

Mexico and the banks finally managed to reach agreement and, despite a certain amount of audible grumbling, it's a good agreement. Technically, it involves only the next stage of managing Mexico's foreign debts.

led to further progress. In July, the Mexican government worked out a broad strategy of recovery with the International Monetary Fund, the World Bank and the U.S. Treasury Department.

A Dialogue About Taxes

This war on drugs will turn out to be expensive. Helicopters, radar balloons, more federal agents and police, treatment programs, education. It could cost a billion or two every year.

bill. Then, along with it, we pass a resolution saying this issue is so important that the money ought to be found, somehow. Then we let the appropriations committees figure out the somehow, if they can.

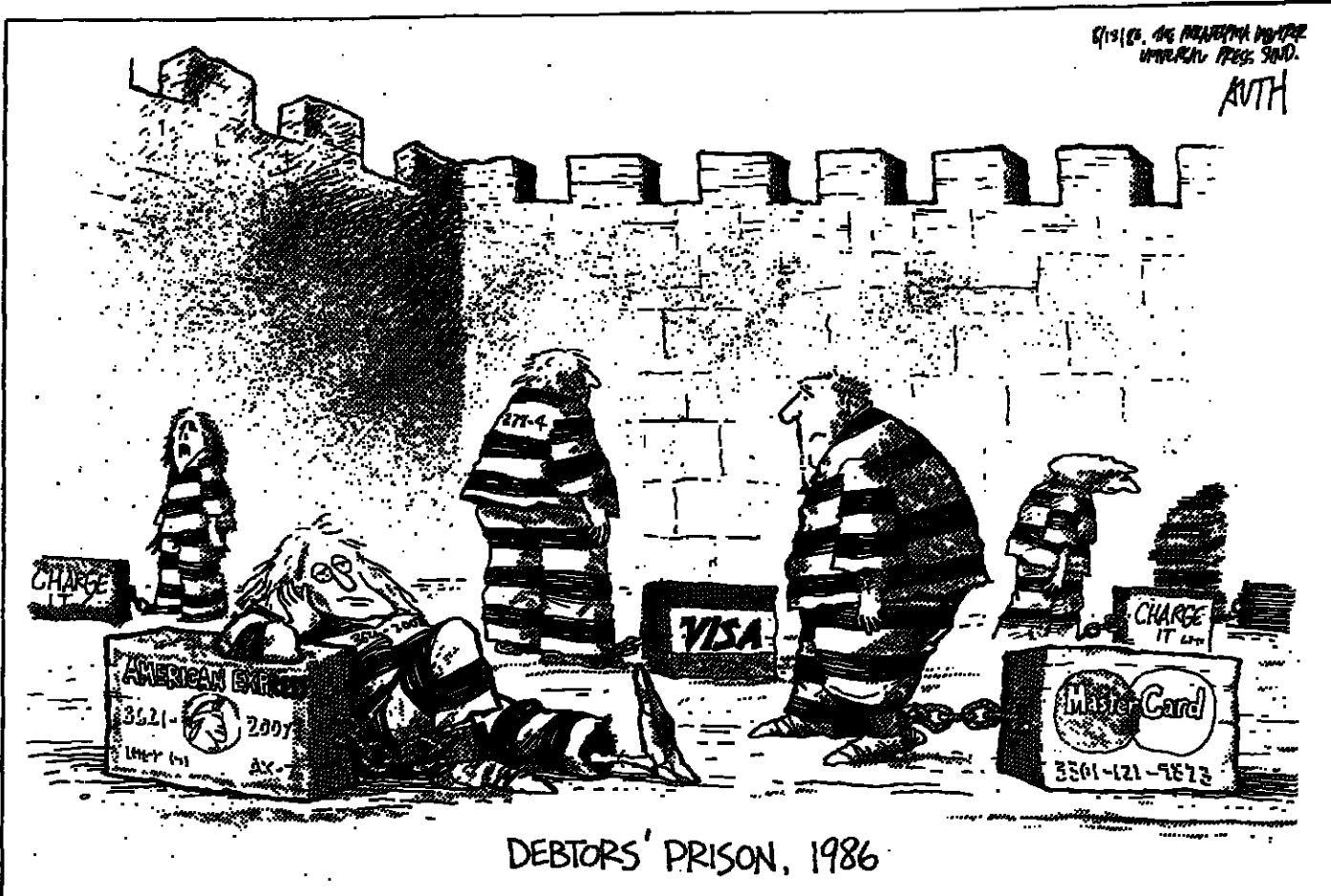
Other Comment

Honest Efforts by Peres

One of the last acts of the Israeli coalition under Labor has been to appoint, with Jordanian approval, Palestinians as mayors of three towns which had been governed by officers of the military occupation.

A Fading Goal in Seoul

The forces of political moderation in South Korea are in danger of being overwhelmed by the forces of extremism. A parliamentary committee that was to propose constitutional changes in advance of the 1988 elections has disintegrated.



There Is a Real Chance Now to Hold Mideast Talks

WASHINGTON — Shimon Peres, who is soon to end his term as prime minister of Israel, has a record to boast about. It would serve better if he were going to elections in October, not to the foreign ministry.

to each other's thinking and to the pressure of world opinion. King Hussein was on the right course when he proposed such a conference. Maybe the timing was not opportune.

conference with unrelated problems, such as Jewish emigration from the Soviet Union. No one wishes any ill to Soviet Jewry. But it is not wise to load the boat beyond its capacity.

Egypt wants to regain recognition and cooperation from Arabs, but not at the cost of its ties with Israel.

positions that have been declared repeatedly is to ask for the impossible. Something removed from substance needs to be broached. To my mind, the formula is an international conference.

Aviv, the Americans and Israelis have reason to look again. The items on an agenda would deal with substance — self-determination, as demanded by the Palestinians; United Nations Resolution 242, as the United States emphasizes; mutual recognition, as proposed by Egypt; autonomy for people and not for land, as Likud wants; the exchange of land for peace, as Mr. Peres's Labor Movement proposes.

The main influence here has been the peace between Israel and Egypt, which has withstood dramatic tests, primarily the war in Lebanon. Israel can see that Egypt has worked as a bridge between its Arab brothers and Israel.

Pentagon's Attempts to Govern Britain Are Misplaced

WASHINGTON — Every time Casper Weinberger and his portly gray eminence, Richard Perle, tangle with the European left it makes for wonderful journalism but poor alliance politics.

By Edwin M. Yoder, Jr.

40 years, NATO's bedrock reliance has been the willingness of the United States to risk global nuclear war to stop a Soviet conventional attack on Western Europe.

Airlines: Bagels Are In, Basics Are Out

BOSTON — Last year, when I was trapped on a unique form of modern torture known as a book tour, I came up with a theory about travel. You know you have been traveling too much when you stop taking home the shower caps from hotels.

By Ellen Goodman

In any case, the question probably would occur, even without Mr. Weinberger's prompting. The British were doing remarkably well at self-government before there was Pentagon sagas to advise them — indeed, before there was a Pentagon.

LETTER

Too Late for Ancestors

Regarding "When Robots Look Back, Letters (Sept. 30): Philip Picaut's letter raised a fascinating prospect: "The year 3086, when our ancestors will be pets in robot households." Let's hope our descendants have better luck.

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In China, Marxism Is Redefined

By Flora Lewis

CHONGQING, China — This city, the World War II capital of China during the Japanese occupation, once again has a special role to play. It is the largest of the "experimental cities," indeed, the largest city in China, with 14 million inhabitants.

The principles for urban reform are not different: Provide incentives for work, reduce administrative interference, open a role for market forces, and proceed with caution so that mistakes can be corrected before they are made on a vast scale.

Officials show superb confidence in their ability to "learn from facts," in Deng Xiaoping's phrase, because what is "correct" will be obvious to all. Eyes newly opened, or again the leader's authority?

These snippets give a bare notion of what economic reform means. It will continue, but not necessarily smoothly. China is almost totally absorbed by it, and while foreign help is sought, that will not be decisive. China is undergoing an internal drama of global implications.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Refugees' Flight

MALTA — The quarantine harbor presented a distressing spectacle last night [Oct. 2] when the British steamer Castle Garth came in, carrying some 1,300 Maltese, besides a few French and Spanish refugees from Tripoli.

1936: Peace Project

WASHINGTON — A draft of a proposed plan for inter-American neutrality, designed as an aide to the preservation of peace on the North and South American continents, has been circulated privately by the United States among Latin American chancelleries. It was learned today [Oct. 2] the draft will be presented to the Pan-American Conference in Buenos Aires December 1.

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74 Years \$742.00
75 Years \$752.00
76 Years \$762.00
77 Years \$772.00
78 Years \$782.00
79 Years \$792.00
80 Years \$802.00
81 Years \$812.00
82 Years \$822.00
83 Years \$832.00
84 Years \$842.00
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REGISTRATION INFORMATION
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SUBSCRIPTIONS:
1 Year \$12.00
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4 Years \$42.00
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INSIGHTS

'New Age' Invades American Way of Life

Corporations Study Uses of the Occult; Critics Fear Efforts at Mind Control

By Robert Lindsey

SAN FRANCISCO — Representatives of some of the nation's largest corporations, including IBM, AT&T, and General Motors, met in New Mexico in July to discuss how metaphysics, the occult, and Hindu mysticism might help executives compete in the world marketplace.

Here in San Francisco, a politically conservative research center foresees an eventual alliance of conservatives, leftists of the 1960s, and Americans with interests ranging from Eastern mysticism and the occult to holistic medicine.

And this November, ABC-TV plans a five-hour series based on an autobiography by the actress Shirley MacLaine, which delves into reincarnation and the supernatural.

These are strands in a thread of alternative thought that scholars say is working its way increasingly into the nation's cultural, religious, social, economic, and political life.

On one level, they say, there is a surge of interest in new metaphysical religions, mediums, the occult, reincarnation, psychic healing, statism, "spirit guides," and other aspects of supernatural belief.

At another level, the scholars cite the spreading influence of psychological self-help and "human potential" groups that operate under names such as the Forum, Insight, Actualizations, Silva Mind Control, and Lifespring.

Their programs for corporate employees attract millions of dollars a year. Borrowing some concepts from Asian religions, the programs try to transform clients' thought processes and to make them better, more creative people.

On both levels, leaders contend that they are ushering in what they call a New Age of understanding and intellectual ferment. But critics of these groups argue that many are nothing more than cults and that others subject unwitting participants to mind control.

The ideas themselves, like many of the groups, are not new. The EST psychological training program, popular and controversial in the 1970s, set the pattern for most of those that followed. And, beginning even earlier, many young Americans joined Eastern religious sects like the Hare Krishnas.

What is changing, researchers say, is that increasing numbers of middle-class Americans, many of them middle-aged, are showing an interest in supernatural phenomena that blend Eastern mystical and Western occult thinking.

OVER the past year, for example, scores of people, many of them middle-aged women, have left their homes around the country and in Canada and moved to the Pacific Northwest to live near a 40-year-old woman, J.Z. Knight, who says she is the embodiment of a 35,000-year-old man.

"The New Age movement is essentially the maturing of the hippie movement of the 1960s," says Carl A. Raschke, a professor of religious studies at the University of Denver.

According to experts in sociology, religion, and psychology, the phenomenon is less a movement than a collection of disparate organizations and iconoclasts challenging orthodox

thinking in a wide range of subjects, from religion to physics.

New Age thought, according to many proponents as well as detractors, directly or indirectly rejects the Judeo-Christian concept of a single, omnipotent God. Instead, New Age adherents follow the view of many Eastern religions that there is a unity in the universe, of which all things, including God and humans, are equal parts.

Thus, according to this view, people themselves are deities, who can "create their own reality." Sociologists say that this view is a foundation of "human potential" training programs such as Lifespring, Insight and the Forum.

Professor Raschke, a critic of the trend, describes it as the "most powerful social force in the country today."

"I think it's as much a political movement as a religious movement," he says, "and it's spreading into business, management theory and a lot of other areas. If you look at it carefully, you see it represents a complete rejection of Judeo-Christian and bedrock American values."

"Why is business rushing in to look at everything from EST to fire walking? The old ways of doing business aren't working anymore, and even the most intelligent people feel that something's broke."

—Robert S. Colodzin, a business consultant

tion of Judeo-Christian and bedrock American values."

"Why is business rushing in to look at everything from EST to fire walking?" asked Robert S. Colodzin, a business consultant who is a retired vice president of Champion International Corp. "The old ways of doing business aren't working anymore, and even the most intelligent people feel that something's broke."

New Agers, as some of the adherents call themselves, are developing their own subculture with their own magazines, bookstores, colleges, social organizations and music.

Most argue that mankind is at the threshold of "a great evolutionary leap of consciousness" to new beliefs about many things and that there is an energy or force in the universe that will lead to a happy, peaceful, perhaps united new world, the sort of "force" at work in George Lucas' "Star Wars" films. The purpose of many of the groups is to transform society to prepare for this new age.

To get there, it is argued, men and women must first alter conventional ways of thinking and begin using areas of their minds they do not normally use. They must enter an "altered state of consciousness" through the use of such types of psychological techniques as medita-

tion, hypnosis, chanting, biofeedback, prolonged isolation, and the intervention of "spirit guides" or ghosts.

Psychologists who have studied the process say that while participants are in this "altered state," leaders of the groups are able to implant new ideas and alter their thinking processes.

Participants in various New Age groups say they often experience euphoria in the altered states and cite this as one reason for their popularity.

"The drug of the '60s was LSD, and marijuana," said Carey Klinger, a 29-year-old resident of Washington state who belonged to several New Age groups before becoming disillusioned. "I think the drug of the '80s is comic consciousness."

Reginald Ajev, executive director of the Cult Awareness Network, a Chicago-based clearinghouse of information about cults, said: "It's very sad what's going on. Most of the people who get involved in these New Age groups, which are growing all over the place, are intelligent, altruistic, idealistic."

"They want to know the meaning of life, and someone comes along and tells them they have the answer. Then they're told they're the master of their own destiny, sort of an Eastern version of Norman Vincent Peale, but they don't know they are being subjected to mind control."

Richard Watring, personal director of the Budget-Rent-A-Car Corp., in Chicago, is seeking to arouse concern among his peers over how quickly corporate America is embracing "psychotherapy" programs. "I really think you're going down the wrong path in business when you deal with a person's spiritual being and attempt to manipulate his mind," he said.

"Graduates" of such programs, and former cult members, are often psychically scarred, says Dr. Edwin Morse, a former member of the University of Wisconsin psychology faculty, who now counsels such people in Madison. "These groups are using hypnotic procedures, and people are being told about it."

ONE concept commonly transmitted in sessions by "human potential" groups is that because people are deities equal to God they can do no wrong; thus, there is no sin, no reason for guilt in life.

Typically, Dr. Morse and other specialists contend, adherents feel exhilarated from a sense of discovery about themselves, their jobs, their mates and the world in general. But the participants later become depressed and troubled, especially if they leave the support system of the groups.

Despite such criticism, the various strands of the New Age movement seem to be penetrating deeper into American life.

At Stanford University's well-regarded Graduate School of Business, the syllabus for a seminar on "Creativity in Business" includes meditation, chanting, "dream work," the use of tarot cards and discussion of the "New Age Capitalist." A common view among New Age thinkers is that major corporations should be looked at "holistically" — by which they mean as a unit, not a pyramid — and that power must be shared among all employees.

The magazine California Business reported recently that its survey of 500 company owners



J.Z. Knight, who says she is the embodiment of a 35,000-year-old man, has attracted scores of followers, who have moved from homes around the United States to live near her in the Pacific Northwest and hear her message that people are God.

and presidents had found that more than half said they had resorted to some form of "consciousness-raising" technique. Although such "human potential" programs are more common in California than elsewhere, industry experts say that they have recently been the fastest-growing type of executive development program.

The Ford Motor Co., Westinghouse and the Calvin Klein fashion house are among scores of major companies that have sent employees for training according to "human potential" organizations such as Transformation Technologies, Lifespring and Actualizations, all of which include techniques modeled to a greater or lesser extent after the techniques started by Werner Erhard, the founder of EST. "We teach new patterns of thinking," said Stewart Emery, chairman of Actualizations.

More than a dozen magazines and journals chronicle developments in the field. The largest, New Age, has a circulation of about 100,000. Among broader consumer publications, many New Agers regard Saturday Review as the most influential.

Americans have turned several books that promote the New Age vision into best sellers in recent years: "Magicians" by John Neish; "The Aquarian Conspiracy" by Marilyn Ferguson; and "The Tao of Physics," a purported scientific treatment regarding the coming New Age by Fritjof Capra, a physicist.

Some people who have studied the New Age movement assert that its influence is also felt on Madison Avenue because of advertising executives' participation in human potential programs. An example cited is a phrase popularized by Mr. Erhard in his EST course, "Master the possibilities," which MasterCard has used as an advertising slogan.

Kevin Garvey, an author and researcher on New Age topics in Carlisle, Pennsylvania, cites an army recruiting slogan, "Be all that you can be," as evidence of what he contends has been a significant influence of EST, Lifespring, and other New Age programs in certain quarters of the military.

In the early 1980s, he said, officers at the Army War College at Carlisle, some of whom were graduates of EST and were former members of the radical Students for a Democratic Society, conducted a study aimed at creating a "New Age Army."

THE study, according to participants, also envisaged training soldiers in meditation, developing skills in extrasensory perception and magic, and in "neurolinguistic programming," a hypnosis technique. Army officials say that the program has been canceled and that its principal leaders have left the army.

Mr. Garvey, however, contends that EST and Lifespring graduates continue to have influence in the army and other government agencies.

Mr. Knight, the psychic who has been popularized by Miss MacLaine, was asked in an interview why she thought thousands of people all over the country were flocking to pay \$400 to see her "transform" herself into "Ramtha," a 35,000-year-old man who delivers the New Age message that people are God, that they can achieve whatever they want, create whatever they need.

"I think that people have realized that they have gleaned many great lessons from their religions, but it doesn't work anymore," she said. "People are beginning to discover their own divine self. We're pulling away from congregational, fear-oriented religions."

Besides the United States, the influence of the New Age movement is being felt increasingly abroad, including the Soviet Union. In June, Mr. Erhard went to Moscow to train 65 middle-level managers and professional people in his new human potential course called the Forum, a revised version of EST.

Representatives of the Esalen Institute, the retreat on the Big Sur coast in California that is regarded by many in the field as the mother church of New Age ideas, meet regularly with Soviet social scientists.

Politically, many in the New Age movement have said they tend to gravitate toward Democrats like Edmund G. Brown Jr., the former governor of California, and Senator Gary Hart of Colorado.

But A. Lawrence Chickering, editorial director of the Institute of Contemporary Studies here, a conservative research organization whose alumni include Attorney General Edwin Meese 3d and Defense Secretary Caspar W. Weinberger, foresees the evolution of a New Age Right.

Mr. Chickering attributes the "rediscovery of conservatism during the 1970s in part to the Esalen Institute, because what they are trying to do is rediscover principles of order within a context of freedom."

In time, he said, he expects the New Age Right to form an alliance with "some of the components" of the New Left of the 1960s and others in the New Age movement.

The preoccupation of some New Age adherents with spiritual and supernatural matters may be part of the process of change, he said, but not one he is happy with.

"The hardest part of admitting that you have been influenced by this New Age thing," he said, "is the company you are forced to keep."



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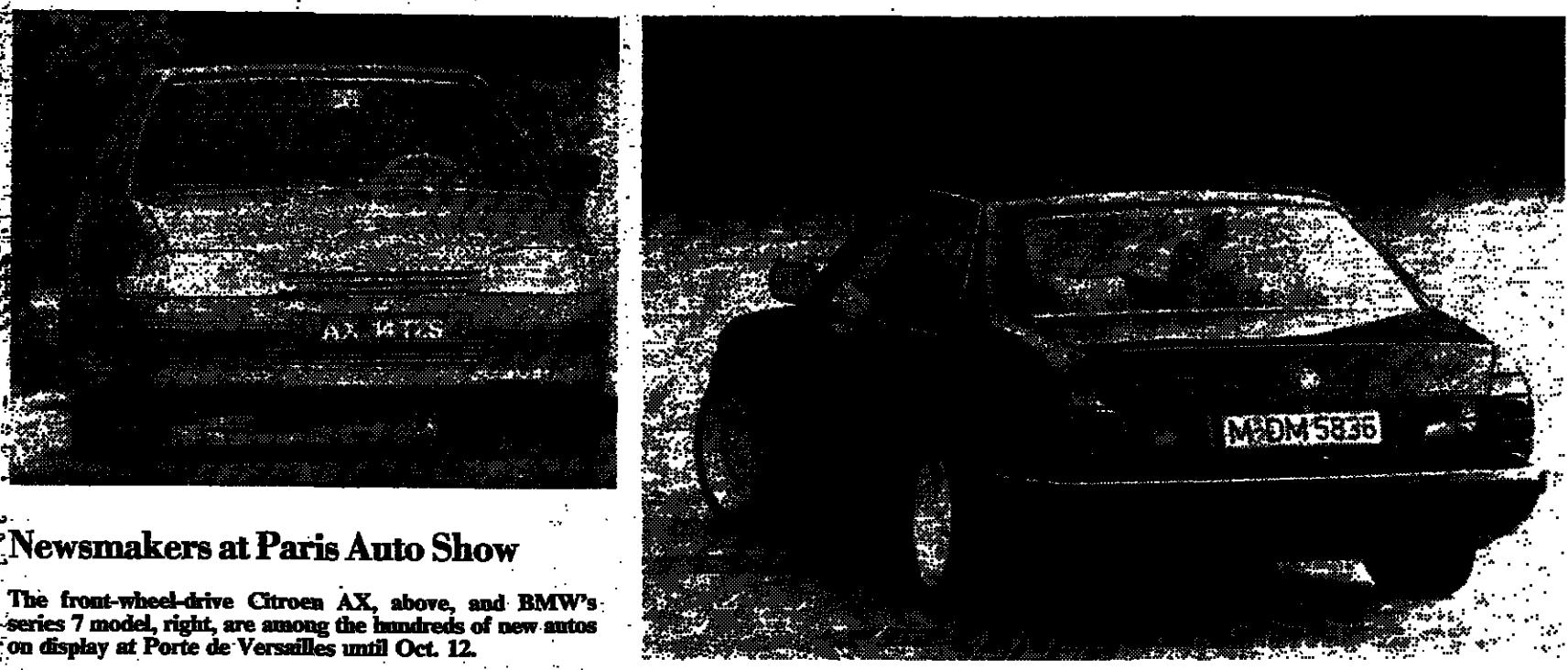
Large advertisement for the 80th South German State Lottery. Features the headline 'GET RICH', '330 MILLION prize money!', and 'EVERY 2nd number is a winner!'. Includes a table of prize amounts for different ticket types and a 'NOW!' section with a '2 for 1' offer.







# Transportation Technology



News-makers at Paris Auto Show

The front-wheel-drive Citroen AX, above, and BMW's series 7 model, right, are among the hundreds of new autos on display at Porte de Versailles until Oct. 12.

## Budget Realities Dampen Dreams

'There's nothing on the horizon that achieves the Buck Rogers stuff.'

By Joan Feldman

WASHINGTON — Transportation technology has come down to Earth. Wondrous were the visions from the past: Cities with hundreds of feet in the air, automobiles hooked to automated guideways; individuals commuting by helicopter. But these days such dreams clearly will never pay off.

"There's nothing on the horizon that achieves the Buck Rogers stuff," said a U.S. Department of Transportation spokesman about current research programs. In the United States, there is increasing reliance on the private sector, which develops only what is profitable. And researchers are fine-tuning what already exists and what is affordable. "We've done the easy stuff, the first 90 percent. It's the last 10 percent that's expensive," said Larry Jamney, senior analyst at the U.S. Congress's Office of Technology Assessment. "There will be some improvements, but the landscape won't be startlingly different in the next 20 to 30 years."

Most of the grand visions have sunk under the weight of squeezed public budgets and shifting priorities, gyrations in energy costs and changes in population trends. People want less aircraft noise rather than commute by helicopter, to fly cheaply rather than quickly, and to drive safely in more economical automobiles.

The railroads are showing the greatest signs of life — outside the United States. West Germany and Japan are working on magnetic levitation trains.

In Japan, a one-car train without any personnel aboard has reached speeds of 517 kilometers (322 miles) an hour. According to a railroad representative, privatization of the national railroad will not interfere with its introduction into service by the early 1990s.

France has rejected magnetic levitation trains and is instead increasing the power of its TGV (*train à grande vitesse*) engines. A French government official said, "They will be faster and cheaper."

In the United States, low air fares and a love affair with the automobile have doomed passenger rail travel. There is little enthusiasm for investing in experiments, such as air-cushion vehicles and magnetic levitation. Mass transit systems, mostly overbudget and underused, have about run their course.

As for auto transport, planners of futuristic vehicles that were to eliminate commuter congestion became mired down by the problem of where to put the vehicles at the arrival end. These vehicles would have increased urban congestion. Thus, it looks like automobiles, albeit improved ones, will continue to be the favored mode of daily transportation. The most sophisticated advance seems to be in using VDTs to do the real mapping of auto routes.

Some futuristic notions have come to pass. European integration of transportation modes — air, train and rapid transit — closely resembles what dreamers had in mind.

Yet, in Washington, home of the Department of Transportation, the main terminal at Washington National Airport is a long walk from the new subway. The department did manage, however, to build a transit station under its own building.

Even the Japanese have not been able to integrate the international airport at Narita property with central Tokyo. The trip takes one to one-and-a-half hours by surface transit.

Eventually, travelers may be able to go from continent to continent in less than six hours — the time it takes to fly across the United States. International airlines badly want a super airliner to connect the economically flourishing Pacific rim comfortably with the rest of the world. But that depends on the development of an efficient, quiet engine that could drive a hypersonic airplane carrying enough passengers at reasonable fares to make a profit. The prospects, now, are dim.

Continued on page 11

## High-Tech Cars: Progress or Gimcrackery?

By Warren Brown

WASHINGTON — Driving General Motors' 1986 Buick Riviera is a touching experience — literally. The car is equipped with a computerized "graphic control center," actually a small, cathode-ray-tube video screen backed by microchips.

The driver touches a square on the screen's surface to find out how much fuel is being burned at his current speed. He touches another to learn how far the car can go on what is left in the tank; another to adjust the car's audio and climate-control systems.

To many auto enthusiasts and industry analysts, this is marvelous stuff. To others, it is automotive gimcrackery, a kind of electronic chrome designed to dazzle potential car buyers and part them from their money.

But, gimmick or not, the Riviera's touch-screen control center is a herald of the future in automotive technology. It is also a symbol of how far cars have come since 1886, when Carl Benz and Gottlieb Daimler started their south German neighbors with the first automobiles.

Indeed, Daimler-Benz AG, maker of Mercedes-Benz cars and trucks, is a leader of the high-technology revolution in automobile design. While the company tows on the installation of digital instrument panels and other geo-whiz components, Daimler-Benz is making strides in putting new technology where many auto critics say it counts: vehicle safety and engine performance.

For the last 20 years in the United States, auto safety advocates have been fighting for air bags. These are flexible containers, often packaged in steering wheels, that instantly fill with gas and deploy in the forward portion of the passenger cabin in frontal crashes.

Daimler-Benz now is offering an electronically controlled air bag, its so-called "supplemental restraint system," on all of its cars sold in the United States. That marketing move, coupled with some mild pushing from the U.S. government, is forcing American automakers to put air bags and other "passive restraint" systems into their cars, too.

Daimler-Benz also pioneered the use of a computerized braking system that could help prevent crashes. The device employs sensors to measure the rotational speed of the drive

wheels. If the sensors detect wheel lockup, they automatically signal the computer to rapidly "pump" the brakes, applying and decreasing brake pressure where needed to help stabilize the car in panic stops.

Anti-lock brakes also are being installed in U.S. cars. But, like the Mercedes-Benz, they tend to be pricey models, such as GM's Chevrolet Corvette and Ford Motor Co.'s Lincoln Continental Mark VII.

Still, the betting is that, like the dual braking systems that are commonplace today, anti-lock brakes eventually will become standard equipment on most cars sold in the United States. So will heated windshields, automatic headlamp dimmers and rearview mirrors that automatically adjust to changing outside light to help eliminate reflected glare.

The safety list also includes improved seat-belts and "friendly interiors" with surface-coated windshields designed to reduce head and facial abrasions in wrecks.

Automakers, of course, are aware that people buy cars to drive, not to crash. Thus, much attention is being focused on using technology to improve vehicle performance.

One of the most common high-technology

applications is the use of computers to reduce the fuel consumption and improve the horsepower of piston engines. Ford's EEC-IV — "electronic engine control, fourth generation" — is representative.

The EEC-IV, which made its debut on the 1984-model Ford Topaz and the Lincoln-Mercury Topaz introduced the same year, processes a million commands per second. In less than one engine revolution, three-hundredths of a second, it changes seven engine functions.

So what? Time is fuel in a running engine and the longer an engine runs inefficiently, the more fuel is wasted. Computer controls such as the EEC-IV cut the waste by maintaining the proper air-fuel ratio, engine temperature and throttle position. That kind of engine control inside an aerodynamic car body yields a fuel economy of about 35 miles per gallon, along with increased acceleration.

But growing automotive computerization and electronics can also yield some problems.

For one thing, some automakers say, the space available to put electronic components

Continued on page 10

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Channel Tunnel ■ High-Speed Trains

# Channel Poses Challenges of Coordination

By Lynne Curry

LONDON — For nearly 200 years, politics was the biggest obstacle to building a link across the English Channel between Britain and France. Now, with that hurdle overcome, engineers are confident that the formidable technical challenges of constructing a tunnel 30 miles (48 kilometers) long can be met in less than a decade.

"It will be just about the longest underwater tunnel in the world," said Lord Penneck, joint chairman of Eurotunnel, the partnership between the British Channel Tunnel Ltd. and France Manche SA. "It will be the first underwater tunnel of this size, which is going to take an enormous traffic of high-speed trains traveling in peak periods of five- to 10-minute intervals and traveling probably at 100 miles per hour. So, it is an exciting, novel, unique project."

In terms of sheer size, cost and ability to capture the public imagination, the "channel," as the project is popularly known, has been compared with engineering feats like the Suez and Panama canals.

But it will not be the longest rail tunnel in the world. That title goes to the 33.6-mile Seikan tunnel linking Japan's main island of Honshu to its northern island of Hokkaido.

The £2.3-billion (\$3.3 billion) channel project will actually consist of two railroad tunnels 24 feet (7.3 meters) in diameter beside a smaller service tunnel. Specially designed shuttle trains will carry cars, buses and trucks every three minutes from Cheriton, near Folkestone, southwest of Dover, and Fresham, near Calais.

Conventional passenger and freight trains will also operate on the same tracks. Initially, the shuttles will be able to carry 1,000 vehicles per hour in each direction, with an ultimate capacity of up to 4,000 an hour.

The technical challenges of the project focus more on problems of coordination than on actually boring through the seabed, engineers said. Two key issues will be the removal of earth from the tunnel as it is constructed and the design of what will essentially be an underground ferry system.

"The biggest problem is a logistical problem," said Tony Gueterbock, a civil engineer at Eurotunnel. "There's a tremendous challenge to build all three tunnels concurrently, getting the muck away and getting the people and materials up to the face [of the tunnels]."

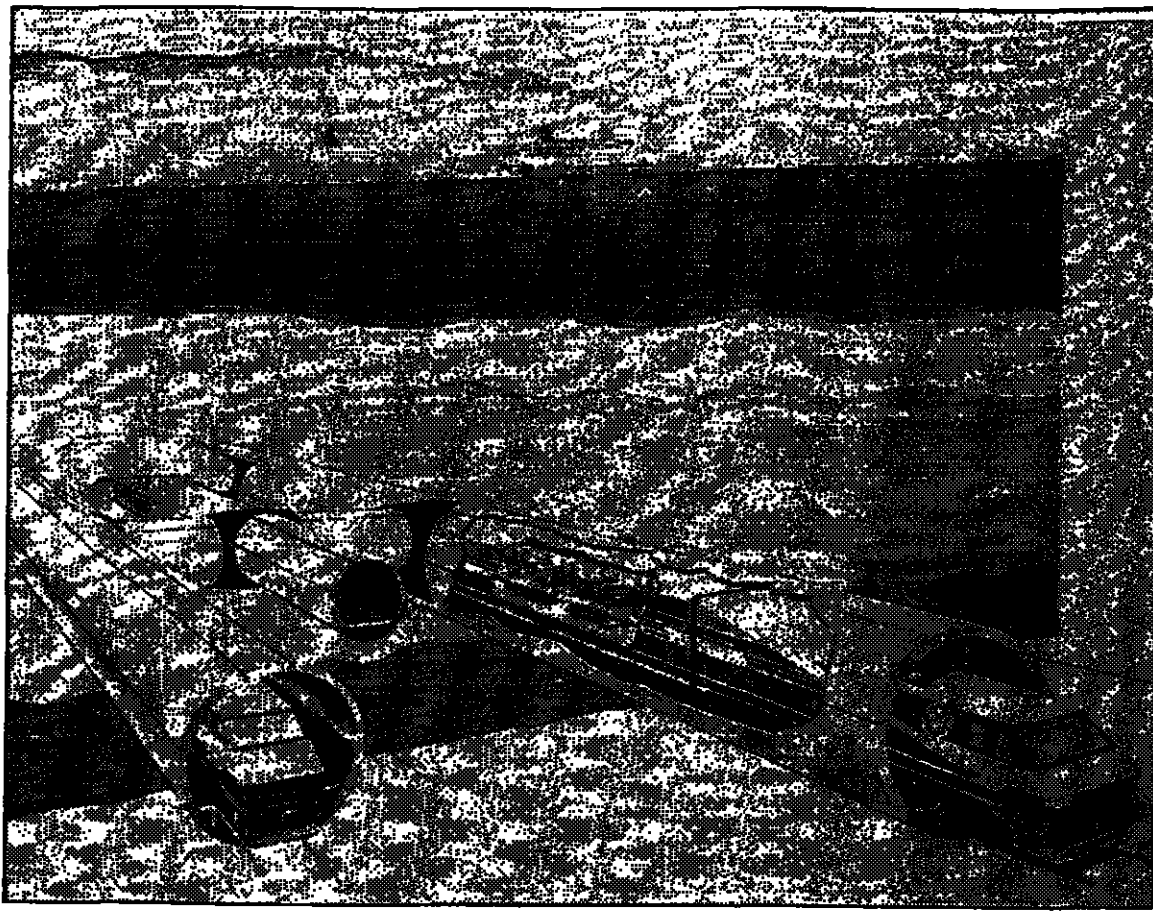
"At the same time, with three tunnels like that," he said, "fitting out what comes behind, the track, the cables, the lighting, the ventilation systems, everything like that, we have to try and do concurrently with the building of the actual tunnel itself."

Observers and engineers involved in some of the previous channel proposals said one of the biggest concerns for both governments is disposing of the millions of tons of spoil, chalk and other materials mined out of the tunnels.

"One of the greatest problems will be the disposal and storage of materials and blending in the land-based facilities with the existing environment," said one contract director formerly with a rival channel group. "There are quite beautiful areas and the vicinity around Dover is an area of outstanding natural beauty."

Conservation groups, particularly in Britain, have protested that placing the spoil in the area around the tunnel sites at Shakespeare Cliff near Dover would have a serious impact on the environment. A government-commissioned report on the environmental effects of the various disposal proposals concurred.

While Eurotunnel does not agree entirely with the report, it has acknowledged the difficulties of disposal of the spoil and has said that it is working with environmental organizations to resolve the problem. The consortium is also trying to determine



Artist's conception of the three-tunnel project, which is scheduled to be ready in 1993.

not only where to dump the spoil but also how to transport it with minimum disruption to the surrounding countryside.

The company said its preferred solution is to leave most of the spoil at Shakespeare Cliff behind a new seawall, in an area of the foreshore where previous construction began on a tunnel in 1974.

Spoil disposal is not as serious an issue in France because the consortium plans to use it to build up the site where the terminal will be located.

The second key issue is the design of a free-flow shuttle railroad system that will be able to handle drive-on vehicles without reservations.

"The challenge is to create an underground ferry service, if you like, for putting cars, lorries and coaches on these shuttle trains in a system which involves no booking," Mr. Gueterbock of Eurotunnel said. "The whole emphasis is on easy free flow."

An official associated with one of the three companies that bid unsuccessfully for rights to build the channel said strict operational controls would be required to ensure that trains are adequately spaced and that waiting time is kept to a minimum. With the projected increase in passenger traffic on through trains, the official also believed that there would not be enough space on the same tracks to meet the demand for both freight and shuttle trains.

Eurotunnel, however, said that in the last decade, the reliability of the signaling and computer systems used to operate trains, particularly high-speed ones, has improved dramatically. Although drivers will be on each train, they will not, technically, be needed.

To cope with the flow of traffic, Eurotunnel plans initially to run between 11 and 13 trains an hour in each direction.

To reach the speeds of 160 mph to 180 mph of the French high-speed TGV, British Rail and SNCF, the French railroad, will develop smaller rolling stock to accommodate the slightly smaller loading gauge, the distance between the platform and the rail, in Britain. This means the trains will be able to reach TGV speeds crossing the channel.

While British Rail will make some necessary improvements to the track, no new main lines in Britain will be built. Because of the crossover points where trains switch tracks, trains traveling from London to the coast will reach 100 mph before hitting the higher speeds in the crossing.

Keeping the trains cool is another concern. Because they are powered by electricity, heat can build up. To prevent this, giant fans on both coasts will pump fresh air through the service tunnel into vents in cross passages leading into the main tunnels.

To prevent flooding, Eurotunnel said, the French plan to use several techniques. The consortium will probe about 20 feet ahead to test the soil. If there is a danger of leakage, they will either freeze the ground or pump cement and water into it to make it solid. Then they will tunnel through the mixture.

Another major question concerns security, especially measures to counter possible terrorist attacks. Eurotunnel said appropriate measures have been taken against terrorism, but for security reasons it was unwilling to reveal them.

Despite the technical problems and legal obstacles that must be overcome in the two parliaments, construction is still due to begin in mid-1987, with completion of the system expected in 1992. Operation is scheduled to start in 1993.

Responsibility for building the channel will be assumed by the 10 English and French construction companies that are shareholders in the consortium. Under European Community regulations, contracts for 30 percent of the project's total value must be advertised within the EC.

While proponents argue that the tunnel will boost trade and commerce and opponents say it will drive the ferry companies out of business, it should in the end benefit travelers. The ferry companies are planning to bring in bigger ships and are meeting with freight haulage companies to determine ways to improve service.

LYNNE CURRY, a London-based journalist, reports for The Christian Science Monitor, Business Week and the Personal Investing section of The International Herald Tribune.

# Germans Enter Express Stakes

By Wellington Long

BONN — Tests of West Germany's entry into the very-high-speed train stakes are to be completed in November, with the 250-kilometer-per-hour intercity express to begin scheduled service perhaps as early as 1990.

A second West German entry, the magnetically levitated train, or Maglev, is running well in the race, too. But it is likely to go into service in the United States before it is adopted in its country of birth.

The intercity express will bring northern and southern Germany two hours closer together. It will, for instance, cover the 940 kilometers (580 miles) from Hamburg to Munich in 5 hours 35 minutes, compared with the 7 hours now required.

The run from Frankfurt to Stuttgart will be out from 2 hours to 80 minutes, while Frankfurt to Basel will take 2 hours 10 minutes instead of 2 hours 53 minutes.

The new trains will have both first- and second-class sections, a practice introduced several years ago on the existing intercity service after officials discovered that only expense-account business travelers were using the all-first-class trains.

One advantage over the airplane is that the fast trains collect and deliver passengers at stations in the heart of the main cities, eliminating the hassle and time involved in getting to and from the airport.

"Furthermore," a Bundesbahn spokesman said, "intercity express comfort will be far superior to that of travel by air."

Although Maglev is faster than the intercity express — a test version already has gone 350 kilometers per hour and should reach 400 kilometers per hour later this year — intercity express has the advantage that it can use much of the existing but upgraded track, while Maglev requires all new track.

Maglev was considered briefly for the proposed high-speed Paris-Brussels-Cologne rail link. But building its special tracks would have cost 50 percent more than upgrading existing tracks, which can then be used both by West Germany's intercity express and by France's TGV (train à grande vitesse) although Maglev would make the run in half the time.

The Bundesbahn says that the technology of its intercity express is more advanced than that of the older TGV. Its pantograph, which collects current from overhead wires, and its suspension are several years beyond that used by the French train.

But the fact that the German and French motors use different current systems is making it difficult to agree on plans for the intercity express to run on TGV tracks, which the Germans want it to do. The answer probably is going to be multisystem engines in order to avoid time-consuming changing of engines at the borders.

The Germans want their trains to be able to run on Swiss tracks, too, and on into Italy. As Transportation Minister Werner Dollinger told his European colleagues when they met in Hannover in April, "We must cross the Alps quicker."

Mr. Dollinger also has said that the proposed channel tunnel will serve little purpose if the engines have to be replaced at Dover, which will be the case unless the British rebuild the tunnels between there and London to accept the new profiles of the high-speed trains being built on the Continent.

The intercity train being tested in West Germany now consists of two engines, one at each end, with three cars in between. But when it goes into service, the plan is for each of the 40 to 50 trains to have up to 14 cars.

They are air-conditioned, but not pressurized. Pressurization helps to reduce noise and

Maglev's selling points are not only its speed, but also reduced maintenance as there is no friction to wear down rails or wheels.

to eliminate passenger discomfort (popping of ears) when two of these trains meet in a tunnel. Testing will be completed by the end of November after several months running on a stretch of new track just about to be completed from Hatmover southward. Then, orders for serial production will be placed.

Once all of the new trains have gone into service, the Bundesbahn plans to have them link the major cities with hourly departures, as the conventional intercity trains do now.

Maglev is being designed and tested by a company owned one-third each by the Bundesbahn, Lufthansa and a federally owned industrial management concern. Testing is being conducted on a 20.5-kilometer stretch of track in the Emsland region, near the Dutch border. This track will be expanded to 31.5 kilometers next year, when the designers will push the speed to 400 kilometers per hour.

Maglev's selling points are not only its speed, but also reduced maintenance as there is no friction to wear down the rails or wheels.

The designers have won a contract to do a feasibility study for a line linking Los Angeles and Las Vegas, beating out both the French TGV and the Japanese.

WELLINGTON LONG, a journalist based in Bonn, contributes to CBS radio.

# High-Tech Engineering

Continued from page 9

inside cars is getting cramped. Cars, mostly in response to fuel economy concerns, have been getting smaller, but the amount of electronic content going into them has been getting larger.

In the United States, for example, the estimated value of electronic content for the average domestic vehicle was \$25 in 1970. Adjusted for inflation, that rose to \$585 in 1984 and is expected to rise to \$1,350 by 1992, according to a recent study on the U.S. auto industry by the University of Michigan.

The increasing electronic content of automobiles will force changes in how those components are manufactured and packaged. And that pressure could hasten the arrival of the multiplexed wiring system, which is essentially one or two "intelligent wires" imbedded with chips, capable of connecting and operating all of a car's electronic components. The object is to get rid of the gangle of wiring harnesses that now add weight to cars and increase the complexity of their manufacture, automakers say.

To date, difficulties in coming up with compatible, reliable and cost-efficient power

switching devices have delayed the development of multiplex systems. But both U.S. and foreign automakers are continuing to pursue that and other dreams, which often show up as experiments in prototype "concept" cars.

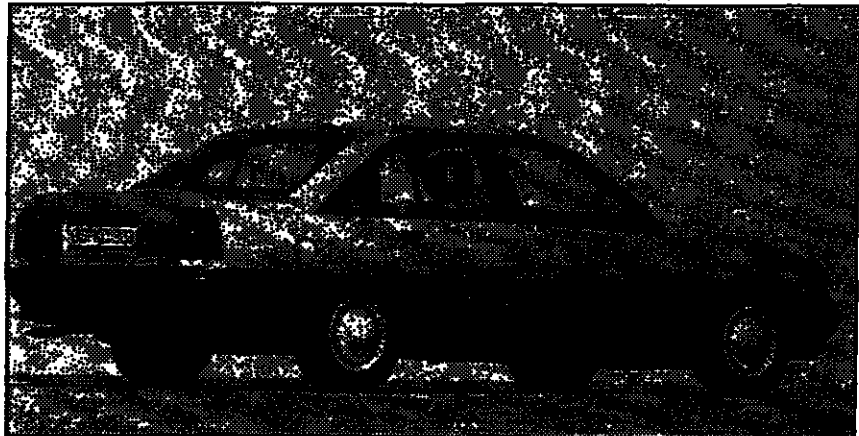
The dream machines, such as Nissan Motor Co.'s Mid-4, are the showpieces at auto shows worldwide. They are a collection of technological possibilities, some of which will never make it to the marketplace, others that will wait for the market to catch up to them and some that have already moved into production.

The two-seater Mid-4, with its newly developed 24-valve, 3-liter, 6-cylinder mid-placed engine, is a case in point.

Consider the Mid-4's 24-valve arrangement. Automotive engines basically are air pumps. The better they pump air into combustion chambers and mix it with fuel, the more power they produce.

More valves per cylinder help engines to breathe better and many automakers believe that increasing the number of valves is preferable to turbocharging exhaust gases to turn an engine-mounted turbine that boosts compression in combustion chambers.

Most turbochargers are reliable. They provide extra power with a minimum rise in fuel



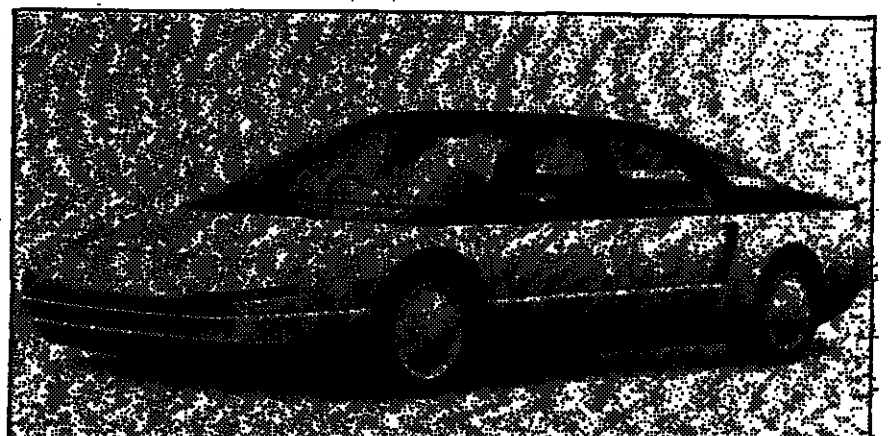
Opel Omega is being offered in both sedan and station wagon versions.

consumption, a major goal of automotive engineering nowadays. But turbochargers also tend to create extra heat and wear, and they generally demand more maintenance than non-turbocharged engines.

Nissan's installation of a 24-valve engine in its Mid-4 indicates that the company believes that turbos have seen their day. And the Mid-4's use of permanent four-wheel drive shows

that the automaker believes that there is a future for that drive system, which is increasing in popularity on cars and trucks worldwide.

Anti-lock braking, an electronically controlled suspension designed to better match the car's ride to the road and speed it is traveling, and a "drive-by-wire system" are also part of the Mid-4, as well as other "concept cars" making the auto show circuit.



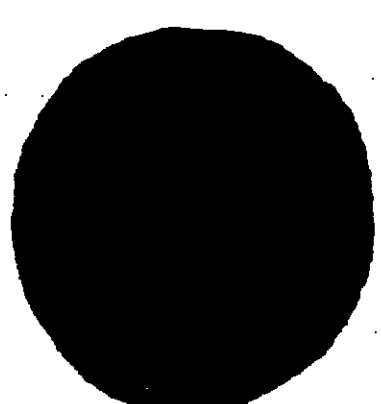
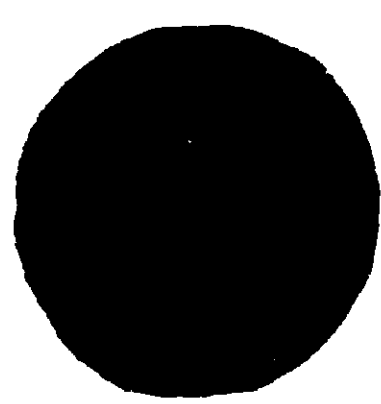
Toyota's FX is the prototype on which innovations are being tested.

Drive-by-wire replaces the traditional mechanical linkage between the accelerator pedal and the throttle with an electronic throttle-control system. This consists of a sensor that "tells" a computerized control unit how far and fast the accelerator pedal is being depressed. The control unit passes the order to a small motor that "translates" the order into a throttle opening. The object is to increase the

precision of and improve driver control over vehicle acceleration. "It's important to see technology adopted in as many of our vehicles as possible," said Nissan's president, Yutaka Kame, commenting on the Mid-4 earlier this year.

WARREN BROWN is a Washington Post financial writer who covers the auto industry.

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High-Speed Transportation

High-Tech Quest for Faster Planes and Trains

By Jonathan Spivak

PARIS — The high-tech, high-cost quest for super-fast forms of transportation will bring sweeping changes in the way we travel by the turn of the century. Sleekly designed, aerodynamically efficient trains routinely will carry passengers at average speeds of almost 200 miles an hour, halving the time for many journeys.

Concorde-like craft will regularly link the continents, and futuristic aerospace planes, a cross between a supersonic plane and orbital spacecraft, will whip halfway around the globe in only four hours.

None of this will come cheaply. The big private aerospace firms and many Western governments are already investing hundreds of millions of dollars annually in their engineering design and development. But most of the bill for these novel, high-speed transportation systems will be paid for by the traveling public.

Two examples of the scale of required outlays: SNCF, the French national railroad, is introducing at a cost of 15 billion francs (\$1.9 billion) a new high-speed train, capable of traveling 240 miles (400 kilometers) per hour. British National Space Center intends to build in the next decade an aerospace plane capable of conventional and orbital flight at a cost of \$3 billion (\$4.32 billion) to \$4 billion (\$5.76 billion).

France leads the way in high-speed transportation technology and use. By the end of this decade, 40 percent of SNCF's passengers will

Economic considerations will be as critical to their success as engineering.

be transported by the high-speed TGV (train à grande vitesse) in a network that will cover the country.

But other countries, such as Japan, Britain and the United States, are also making large financial commitments to develop high-speed transportation. The Japanese, who introduced the era of fast trains in 1964, are expanding their famed bullet trains.

In the United States, the National Aeronautics and Space Administration and the Defense Department, with the enthusiastic support of President Ronald Reagan, plan to spend \$450 million for initial research and development of the Orient Express, an aerospace plane that would link Washington and Tokyo in two hours.

Britain is developing a space plane called HOTOL (for horizontal takeoff and landing), which would fly at five times the speed of sound.

The reason for the growing investment in high-speed transportation is partly practical. The governmental sponsors believe these systems will pay off financially and help relieve the straining pressure of mounting numbers of passengers.

There will be more high-speed trains in

Europe," said Hughes de Villele, an SNCF official. "These will operate with profit when they serve a lot of people and the time of travel between two cities is not more than two hours."

Engineering difficulties do not appear insuperable. For some projects, the technology already exists, such as highly efficient motors, light-weight structures and continuous, welded track. For others, modest improvements in technology are required to boost train speed to 300 kilometers per hour from a current 270 kilometers per hour.

The political and economic problems are likely to present greater obstacles. France would like to build a TGV Nord connecting Paris through Belgium and the Netherlands with Cologne. But it could take years to get the necessary four-nation approval. "We know we need a high-speed train, but our partners must be convinced," an SNCF official said.

The most ambitious high-speed train project is the \$7.2-billion Channel tunnel.

The Concorde offers the only case study in the economics of supersonic flight. It proved financially successful only on the densely traveled trans-Atlantic routes. British Airways abandoned service elsewhere because of heavy

losses. Some civil aviation experts fear this would be the fate of any successor supersonic craft.

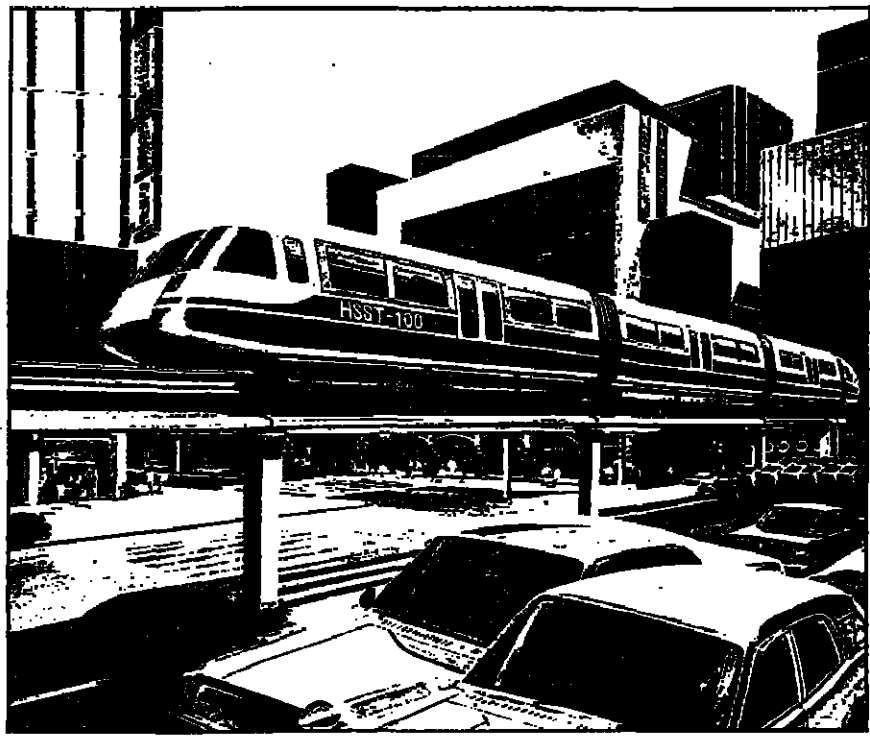
Following is a summary of some of the major high-speed transportation projects around the world:

• JAPAN: The Japanese continue to extend their high-speed bullet trains, which began operation two decades ago on a 309-mile line between Tokyo and Osaka. A second 460-mile line through mountains is scheduled to open by early 1988. The most significant characteristic of the Japanese system is its high frequency; trains leave Tokyo every six minutes.

• WEST GERMANY: The Bundesbahn, the federal railroad system, is building two high-speed lines between Hannover and Würzburg and Mannheim and Stuttgart. Last November, a prototype high-speed intercity express attained a speed of 191 miles per hour. The Germans are also developing the most futuristic form of high-speed train — a trackless train that would be suspended on air by the repelling force of magnetism. In theory, such a "magnetic levitation" train would eliminate most friction and should be the ideal system. But many technical and economic problems remain.

• BRITAIN: British Aerospace is the prime developer of the HOTOL, which would not only transport passengers, but shuttle astronauts to and from orbiting spacecraft. Its developers promise to reduce research and development outlays to one-fifth of NASA's shuttle and predict that each launch will cost only \$4 million.

• UNITED STATES: The American entry in the aerospace plane sweepstakes would trav-



The Japanese have been extending their bullet-train service.

el at a speed of 3,300 miles per hour, carrying 300 passengers. McDonnell Douglas, one of the plane's designers, envisions a market for 200 planes early in the next century.

• FRANCE: France's nationalized plane builder, Aerospatiale, proposes building a second-generation Concorde, which would begin service early next century. It would carry 200

passengers, twice the current Concorde's capacity, and fly at 2.2 times the speed of sound, slightly faster than Concorde. The TGV Atlantique will be finished by 1990.

JONATHAN SPIVAK is a freelance journalist specializing in science and technology.

Financial Realities Bring Visions Down to Earth

Continued from page 9

The promotional hype for the aerospace plane makes it sound like the airliner of the future. But that is a technique designed to build funding support for what is obviously a military project.

"That's not for us," said an engineering official of the U.S. Air Transport Association, a trade group. No business could afford to operate a vehicle primarily designed for military use.

There is not even a solid notion of what a new, speedy commercial airliner should be like. The first commercial SST was the government-funded, British-French Concorde, a 100-passenger plane that cruises at twice the speed of sound (Mach 2). Fewer than 20 were built, and they fly now only because of government

effort, with the United States included. Such multinational aerospace cooperation is now common since major technological advancements, commercial or military, are too expensive for a single nation or company.

For example, a \$2-billion engine program does not attain positive cash flow until 12 years to 14 years after start-up, despite lower interest rates. Even Boeing has conceded; multinational partners have almost half of its new 150-passenger subsonic airplane.

A new SST, however, is a long way off. It is in subsonic flight where the advances are clear: Airbus, Boeing and Douglas Aircraft are developing all — or partially — new planes that will use improved materials, more efficient engines and more sophisticated aircraft systems, such as fiber optical instead of mechanical cables. Passengers will not notice many of the changes.

The major question is whether a radically new engine proposed for the new planes can meet current, and eventually stiffer, noise standards. That engine is one of several technological advances that manufacturers are using to tantalize airlines with much lower operating costs.

However, as more planes improve, the operating environment worsens. In the United States, an outmoded air traffic control system cannot cope with more airlines and airplanes. Runways are underutilized because of fiscal, not technological, limits.

The Federal Aviation Administration's 10-year, \$12-billion computer modernization is behind schedule and will cost billions more than planned, adding to travel delays.

The FAA has come under heavy criticism and there has been serious talk of making the system autonomous.

The National Academy of Public Administration said recently, "Major intrusions of new technology, new equipment and new concepts are not being carried out through the usual annual budget cycles."

In Europe, the fractionalized air traffic control system increases delays and airline costs and passengers pay through higher fares.

The information revolution will also change air travel. For example, the "smart card," which the French have pioneered in other industries, may result in ticketless travel since it would hold all the information needed to process a passenger from ticket-buying to baggage checking and boarding.

Technology also is changing the way airlines sell tickets. Now, they rely significantly on travel agents, who sell the bulk of their seats. But increased competition has meant paying agents more money to boost sales. As a result, travelers are being encouraged to use computers themselves to bypass the agents.

Some airlines already use self-ticketing machines at airports. These machines also produce boarding passes and can accept reservations. Similar machines may eventually be installed in office buildings, shopping malls and other public areas. Airlines also are putting computers in the offices of major business customers to enhance direct dealings.

Clearly, the need to reduce costs, rather than technology for technology's sake, is the driving force in new advances in transportation.

In Europe, the air traffic control system increases delays and costs to the airline companies.

subsidies. The United States bowed out of SST competition in March 1971 after spending \$1.2 billion.

A hypersonic plane, fueled by liquid hydrogen and capable of flying several times the speed of sound, has been proposed although many technical people have their doubts.

"You'd have to spend huge sums just for the fuel plants needed at every airport for that type of plane," said the Air Transport Association engineer. He believes that a future SST will be powered by conventional jet engines and fly at Mach 4. Military planes do that today.

Even with conventional jet engines, its development would cost billions of dollars. The U.S. government would provide some research money and perhaps some development funds if the military showed interest in a fast transport. There is little likelihood, however, that it would pay to build the plane, as the British and French governments did for Concorde.

This worries private industry, which is already deeply in debt on current and planned subsonic models. The increased use of international satellite communications for video conferences could also bite deeply into the business market that the SST is aimed at.

The National Aeronautics and Space Administration, the source of much aeronautical research, awarded small research contracts this summer to study the SST's characteristics: engine, size, range, materials, speed, aeronautical systems. But even if a decision were made today, it would take 15 years before the SST would go into service.

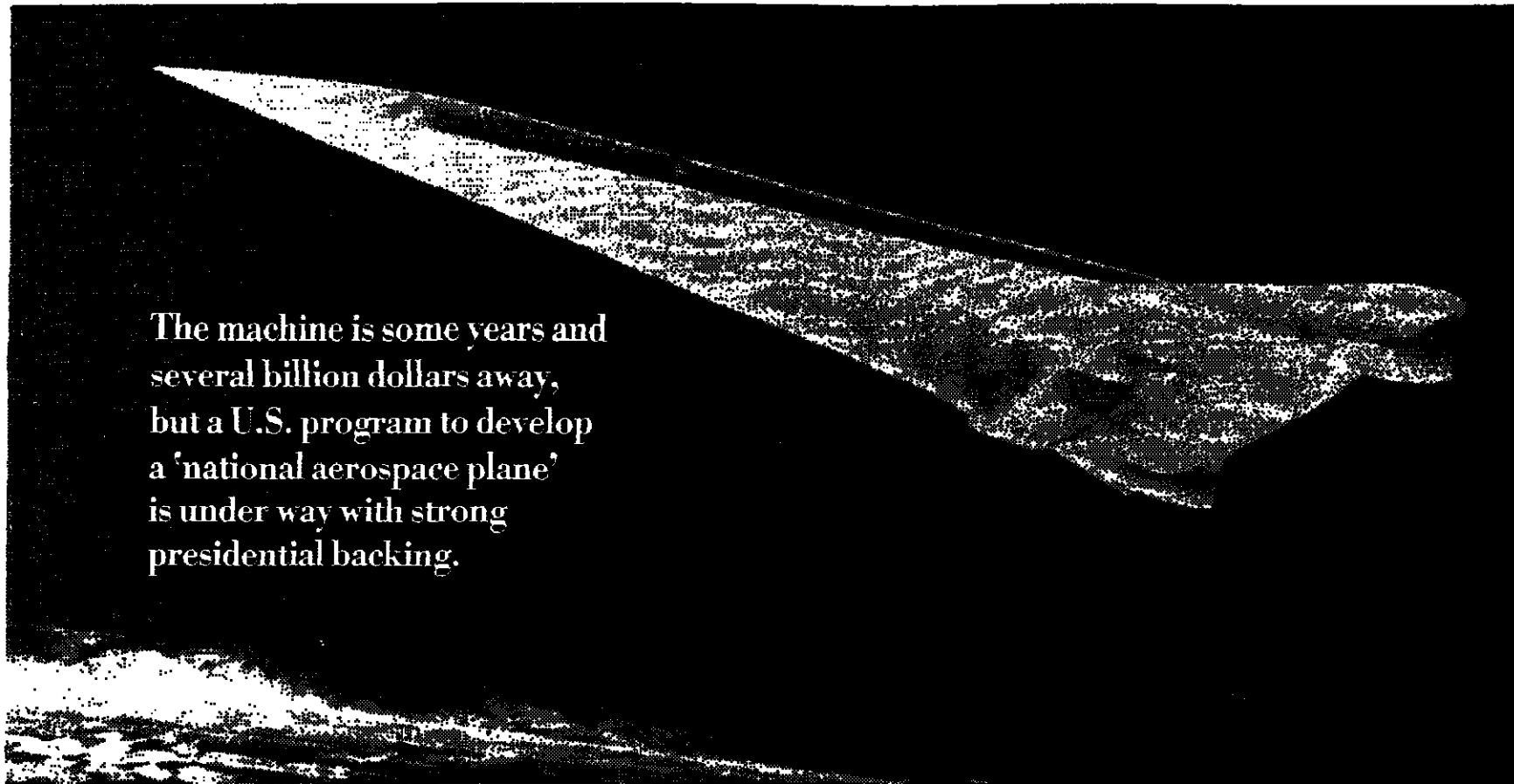
French aerospace and airline officials have suggested that such a plane should be a multinational

JOAN FELDMAN is a Washington-based writer specializing in transportation.

Advertisement for AC Catalytic Converter. Features a large image of a catalytic converter with 'AC' logo. Text includes: 'AC CATALYTIC CONVERTER', 'AC offers European vehicle manufacturers catalytic converter and emission control system knowledge to satisfy the design, test, development and application needs for today and the future.', 'Supporting this expertise are worldwide production and engineering facilities, providing the local services required in this dynamic business environment.', 'So if you're looking for someone who knows catalytic converters inside and out, talk to us. We've been down this road before.', 'AC MAKES MORE PARTS FOR MORE VEHICLES THAN ANY OTHER COMPANY IN THE WORLD.', 'AC SPARK PLUG OVERSEAS CORPORATION, P.O. BOX 336, SENTRY HOUSE, 500 AVEBURY BOULEVARD, CENTRAL MILTON KEYNES, MILTON KEYNES MK9 2NH.'



Superplanes ■ Safety in the Air



The machine is some years and several billion dollars away, but a U.S. program to develop a 'national aerospace plane' is under way with strong presidential backing.

# U.S. Plans Hypersonic 'Orient Express'

By Douglas B. Feaver

WASHINGTON — With Europe's Concorde celebrating its 10th anniversary of supersonic passenger service and the American space shuttle program in tatters, the Reagan administration hopes a new machine that is part airplane, part spaceship will help the U.S. aerospace industry polish its tarnished image.

That machine is some years and several billion dollars away and its mission and capabilities are yet to be defined, but a program to develop a "national aerospace plane" is under way with strong presidential backing.

The plane has adopted the nickname of one of history's great trains, the Orient Express. This new version, instead of connecting Europe with the Mideast, would cut flight time for passengers from Washington to Tokyo from 13 hours to perhaps two.

It could also be a weapon in the Strategic Defense Initiative arsenal, a troop carrier or a single-stage launch platform for satellites.

Three firms, the Boeing Co., Lockheed Corp. and McDonnell Douglas Corp., have maintained modest research efforts for several years to develop the technology for a "hypersonic" plane, one that could travel from three to eight times the speed of sound, a step up from the Concorde.

Now the National Aeronautics and Space Administration and the Defense Department

A trip from Washington to Tokyo could take about two hours.

have combined forces to see how far this technology can be pushed, with the Pentagon ultimately expected to pick up about 80 percent of the cost.

The goal is an aircraft that would take off and land on conventional airport runways, cruise at 12 to 25 times the speed of sound and at altitudes of 100,000 to 350,000 feet (30,480 to 106,680 meters).

"Aeronautical opportunities are now known that could enable us to technologically supercede virtually all significant military and civil aircraft operational today," Raymond S. Colledge, NASA's associate administrator for aeronautics and space technology, told Congress recently.

There are, however, considerable risks and some question as to whether Congress is in any mood to throw a lot of money at this effort while being asked to trim budgets across the board.

A prototype plane could be built for \$2 billion to \$3 billion, according to preliminary estimates, but it is several years away and

technology-pushing cost estimates are historically too low. First, NASA and the Pentagon must confirm theoretical work in engines and special structural materials needed to function at extraordinary temperatures.

Not the least of the problems is how to handle liquid hydrogen as fuel.

In April, contracts having a potential value of \$450 million were awarded by NASA and the Pentagon for research and development in propulsion, aerodynamics, computational fluid mechanics, advanced structures and high-temperature materials.

Airframe contracts worth approximately \$32 million each went to Boeing, General Dynamics Corp., Lockheed, McDonnell Douglas, Rockwell International and North American Aircraft Operations. Two or three of them will survive an early competition, with the winners then fabricating critical components and producing a preliminary design for the flight demonstrator vehicles.

General Electric and Pratt & Whitney, the biggest American names in jet engines, received contracts worth about \$175 million each

to design and develop flight-type modules for a "scramjet" engine to power the plane.

A scramjet is a "supersonic combustion ramjet." A ramjet is a pure jet engine, with no turbines or compressors. It uses air pressure resulting from the forward motion of the aircraft to provide the compression necessary for combustion when air is mixed with fuel.

A ramjet requires high velocities to gather enough air to work, but then slows down incoming air while compressing it. At combustion, airspeed within the engine is subsonic even though the aircraft might be moving at several times the speed of sound (Mach 1).

When the aircraft reaches Mach 6, the high temperatures resulting from slowing the air to subsonic speeds results in a loss of engine performance. Therefore, the internal geometry of the engine must be changed to permit supersonic combustion of the air-fuel mixture.

Charles Buffalano of the Defense Advanced Research Projects Agency told Congress recently that the engine needed for the space plane would involve ramjet-scramjet propulsion "to cover three different flight regimes: takeoff, hypersonic and rocket."

The engine's air inlets would have to be carefully integrated into the aircraft itself, Mr. Buffalano said, because "the shape of the airframe itself determines, in large part, the performance of the engine."

DOUGLAS B. FEAVER is a Washington Post staff writer who covers transportation.

# Airline Deregulation Raises Safety Issue

By Ronald Katz

WASHINGTON — The series of fatal air crashes in 1985 rekindled the argument over whether airline deregulation in the United States has had a negative impact on airline safety.

Some critics, including John Nance, a former Braniff pilot and author of "Blind Trust," insist that deregulation has eroded safety standards.

"All of the American carriers — and I do mean all — have lowered their standards since 1978," Mr. Nance said.

Other observers, including John Robson, former head of the American Civil Aeronautics Board, argue that there is no substance to these charges. "Statistics do not support a conclusion that deregulation has diminished the safety of U.S. air travel," Mr. Robson said.

Whatever the truth of these assertions, the death of 1,893 passengers on non-Communist airlines last year has given impetus to those who call for a return to some form of economic regulation in the United States and a slow-down of efforts to deregulate elsewhere.

Supporters of deregulation in the United States claim the 1985 figures were an aberration. "There was no pattern in these tragic accidents," said Donald Engen, director of the Federal Aviation Administration. Mr. Engen and others point out that 70 percent of the 1985 fatalities occurred on non-U.S. airlines and almost 50 percent were accounted for by crashes on Japan Airlines and Air India, both of which operate under heavy government regulation.

But critics of deregulation claim statistics do not give the full story; they insist that the total safety environment under deregulation could create a serious breakdown in the system somewhere down the line. They charge that deregulation has placed intolerable burdens on air traffic controllers, overextended the federal inspection force and compelled airlines to cut costs by deferring vital maintenance.

Another concern is the appearance of dozens of new commuter airlines.

When 11,700 air traffic controllers went on strike in 1981, President Ronald Reagan fired them all and decertified their union. With supervisory and military personnel filling in, the controller work force has built itself up so that 14,050 controllers are now on the job. But that is 10 percent below the pre-strike level, and critics note the explosive effect of deregulation on flight frequencies, the increase in early retirements and the declining experience of replacement controllers. They cite the surge in near misses: 777 in 1985, up from 584 the year before.

A recent report by the General Accounting Office concluded, "Controllers at many facilities are being stretched too thin and, over time, the situation could impair their ability to continue to maintain the proper margin of safety."

Critics charge that the stresses of competition have caused airlines to cut back on vital maintenance. "You've got to run lean to com-

pete these days," said Lynn Nahmi, a former Continental Airlines pilot. "They take it out of training, they take it out of maintenance."

In March, Eastern Airlines was assessed a \$9.5-million civil penalty for 78,372 violations of maintenance and record-keeping regulations; American Airlines was fined \$1.5 million and lesser fines were imposed on several commuter carriers, many of which contract out their maintenance because they cannot afford to do it themselves.

U.S. commuter carriers, 233 of which have been certified since deregulation made it easier to enter the market, are often charged with operating on thin safety margins. Their acci-

'All of the American carriers have lowered their standards since 1978.'

dent record is more than three times worse than that of the major lines, according to U.S. News and World Report.

These are some of the charges that deregulation's supporters have been quick to refute. The U.S. transportation secretary, Elizabeth H. Dole, and other pro-competition spokesmen point out that while economic regulation has been lifted from U.S. carriers, safety regulation remains in force. Despite deregulation, the government still sets standards for flight procedures, training, aircraft construction and maintenance, and airport design and construction.

Mr. Robson and others also maintain that complaints about stress on air traffic controllers, faulty maintenance and inadequate inspection procedures are not new; they go back more than 20 years, "when 'deregulation' was only a gleam in the eyes of economists."

After years of underfunding, the Reagan administration has requested a \$33-million increase for the FAA in fiscal 1987 to allow the agency to hire 500 new controllers and 138 safety inspectors. A more aggressive stance is being taken toward commuter carriers; Mrs. Dole has mandated that all airlines be subject to a minimum number of inspections each year.

RONALD KATZ, secretary of the Air Transport Commission of the International Chamber of Commerce in Paris, writes about transportation for a variety of publications. His views do not necessarily reflect those of the ICC.

# MITSUBISHI'S PIONEERING SPIRIT



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## CARRIES ON.

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SINCE 1917



The 1917 Mitsubishi Model-A, Japan's first series-production car, and Mitsubishi engineers at the time.



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# TRAVEL

- In Goethe's Footsteps
- Cycling Through Britain
- Auvergne Cheese

International Herald Tribune

## TRAVELER'S CHOICE

### Auto museum opens in Brussels

One of the world's biggest collections of vintage cars has been opened to the public in Brussels, showing rare automobiles collected by a Belgian industrialist, Ghislain Mahy. Only one half of Mahy's collection of some 850 cars will be shown at any one time in a new museum called Autoworld. Mahy started his collection in 1944 when he bought a 1908 Ford Model-T for 150 Belgian francs, equivalent to about 50 U.S. cents in today's money. The newest cars are 1960s American and European models and the oldest an 1899 Leon Bollée from France.

### One correspondent's prejudices

"Apple's Europe" is a highly personal account of travels in Europe by R. W. Apple Jr., who was London correspondent for The New York Times from 1977 to 1985. The author tends to focus on architecture and the arts, nature's beauties, favorite hotels and good food and drink, and the range is from Dostoyevsky's Leningrad, to the works of the Finnish architect Alvar Aalto to the vagaries of dining in Britain. Much of the material in the book appeared in different form in The Times and in the International Herald Tribune. ("Apple's Europe: An Uncommon Guide," Athenum, 715 Fifth Avenue, New York, N.Y. 10003, \$14.95.)

### Hotel guide and booking service

Hotel Reservation Service, a company founded in 1972 in Cologne, West Germany, to specialize in German trade-fair bookings, has published a hotel guide listing 1,500 hotels in West Germany and 60 other countries at which it offers rapid bookings for business and private travelers without charge to the customer. HRS says rates listed for each hotel in its guide are guaranteed for the calendar year. The guide, which lists the hotels represented with brief descriptions, is available without charge from Hotel Reservation Service, Hennekort 14, Köln 1, West Germany; tel: (49) 221.20.77-4.

### Flowers at Versailles

The Floristics of the Ile de France region and International Festival of Floral Art, which take place jointly from Oct. 3 to 12 at the Orangery of the Versailles palace, include a landscaped exhibition of flowers, trees, shrubs and plants by professionals; a floral arrangement competition for amateurs on the theme of "Splendors of Versailles," and demonstrations and conferences on a variety of horticultural subjects. The event is organized jointly by the Syndicat des Horticulteurs d'Ile de France and the city of Versailles. Hours are 5 to 8 P.M. Oct. 3, and thereafter daily from 10 A.M. to 8 P.M.

### Tour to a Shaker village

In the Shaker village of Pleasant Hill, Kentucky, 27 original 19th-century buildings designed and built by Shakers have been restored and adapted as a museum complex. Forty rooms of Shaker furnishings, its broommakers, joiners, coopers, spinners and weavers, in the destination of a trip scheduled by the Corcoran Gallery in Washington for Oct. 25 and 26. Planned in conjunction with "Shaker Design," an exhibition that will run through Jan. 4 at the Corcoran, this trip takes its participants behind the scenes at the village, with lectures on Shaker architecture, furniture design, craftsmanship and other aspects of Shaker life. Included too, is a paddlewheel riverboat voyage on the Kentucky River. More information and reservations are available from Membership Coordinator, Corcoran Gallery of Art, 17th Street and New York Avenue, NW, Washington, D.C. 20006; tel: (202) 638-3211.

### Canoeing in watery wilderness



Three trips in the Okefenokee National Wildlife Refuge in southeastern Georgia offer canoeists a chance to explore a watery wilderness of primal splendor covering more than 400,000 acres. It is in this habitat of wading birds and wildflowers, and on the Suwannee River, the principal outlet of the swamp, that Wilderness Southeast offers four-day canoe trips Oct. 16-19, Nov. 21-24 and Feb. 26-March. Covering 5 to 14 miles a day and open to inexperienced canoeists in good physical condition and at least 14 years old, these trips include an orientation talk, a visit to an island once home to one of the families of pioneer days (sown as swamps), and paddling through wetlands that teem with alligators, turkeys, vultures, white ibis, reboostered herons, spectacular water lilies, white storks, and other birds. The trips, priced at \$205, include instruction, all meals and cooking equipment, tent space and transportation. Participants, who are advised to bring a canoe, must provide or rent from Wilderness Southeast a sleeping bag, a foam sleeping pad, a day-pack and a waterproof duffel bag. Wilderness Southeast, 711-J Sandtown Road, Savannah, Georgia 31410; tel: (912) 897-53.



A panoramic view of Punta del Este.

## Uruguay's 'European' Resort

by Juan de Onis

PUNTA DEL ESTE, Uruguay — "You see, Punta del Este has always had style and elegance because it was started by the English," said Juanita Izuri, a restaurateur of Basque origins and anglophile sentiments.

Señora Juanita, as she is addressed by her loyal staff and longtime clients, runs the Mariskones, a superb seafood house. It stands above a rocky beach where it was founded in 1944 by her father, a Basque immigrant, over a mussel "nursery" fed by Atlantic ocean water.

"That's the secret of our success — everything is fresh," said Señora Juanita. The Mariskones, in its European origins and style, is a good example of what makes this once-desolate lighthouse location, 55 miles (90 kilometers) east of Montevideo on Uruguay's Atlantic coast, arguably the best summer resort in South America.

Other places have more sun, prettier beaches and livelier tropical rhythms, but Punta del Este, which combines features of Cape Cod, Massachusetts, and San Sebastian, Spain, has quality and friendliness. People on the street help strangers find their way and try to speak English or French. There is little crime.

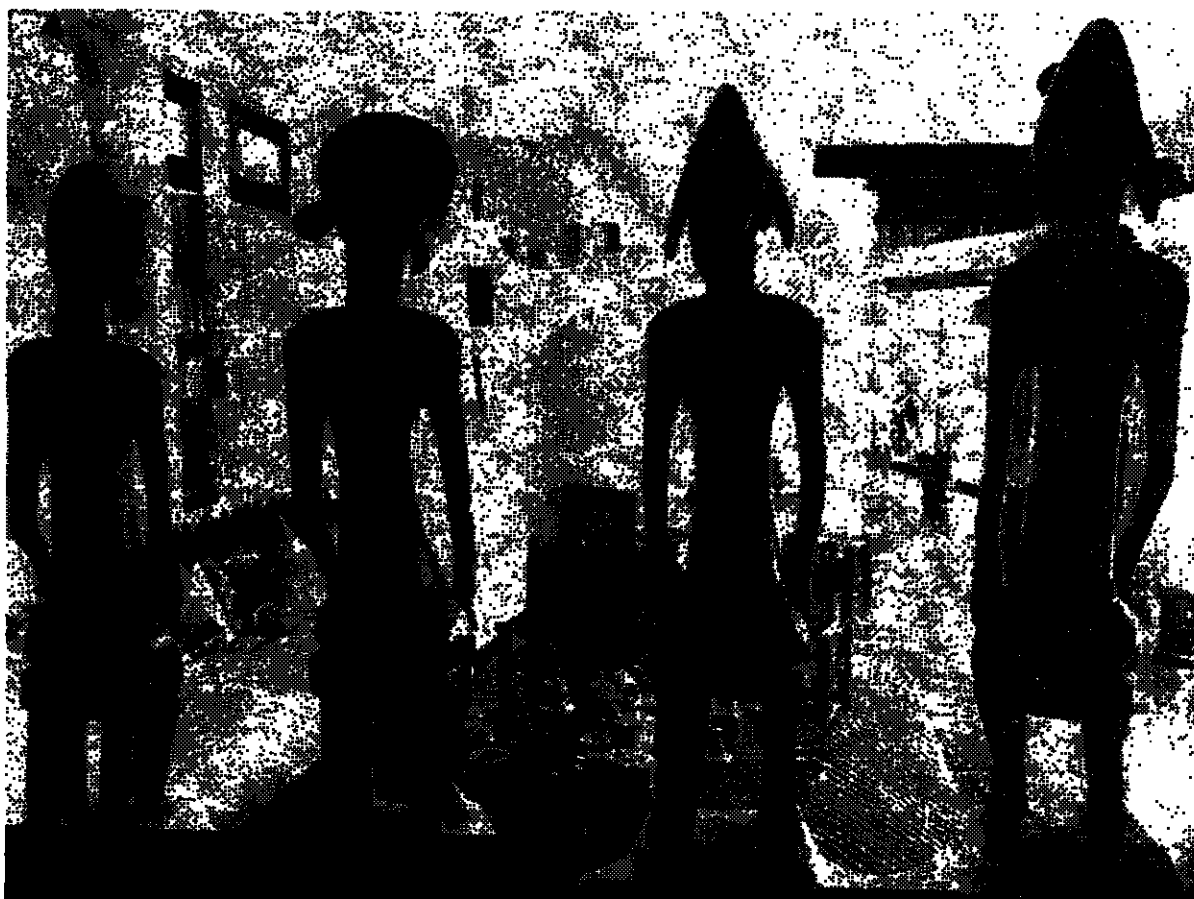
"I can remember as a girl when the English would arrive for the summer season from Argentina and Montevideo on the railroad that was built by the British," said Señora Juanita. "The locals, who were fishermen and seal hunters, called them 'ingleses locos' — mad Englishmen."

"They spent the day taking sun on the beaches, which no one else did, and at night they dressed in black tie for dinner, drank pink gin and danced the boogie-woogie at the Yacht Club."

The English — who were numerous before World War II in Argentina and Uruguay, running railroads, ports and banks — did more than set social style for the emerging spa. An English railroad man named Burnett changed the barren scenery of the dunes by planting red pines, which now cover the peninsula, alongside groves of aromatic eucalyptus.

Punta del Este now has a skyline of modern residential towers, with more than 5,000 apartments, and hundreds of elegant homes nestled in the woods. Most are opened only four months a year, when many are for rent.

The community lives for tourists, who outnumber the 50,000 local residents by 5 to 1 during the summer season, December



Interior of Casa Pueblo.

through March. The summer crowd, mainly from Argentina, supplies most of the annual income for thousands of gardeners, waiters, maids, casino croupiers, golf caddies, real estate agents and sundry providers of goods, services and entertainment.

These local workers and tradesmen live mainly in an adjoining town called Maldonado, which has a rustic charm of its own in handicraft shops and some good, inexpensive restaurants such as the Al Paso.

For real elegance, the choice in Punta del Este now is three miles to the north on a beach called Barra, reached by a bridge over a tidal creek. The exclusive Barra crowd is made up of Argentines of the horse-racing set, whose leader is Baby Victoria, a wealthy widow who owns one of

Argentina's largest stud farms. She also owns most of Barra.

In this setting on a small beach are white-washed houses thatched with grass, bought originally from fishermen. But the modest exteriors are deceptive. Inside, the homes have been expanded and modernized. Some have outstanding art collections, fine imported furnishings and state-of-the-art sound systems.

"They reject the obvious displays of wealth that have appeared in Punta del Este, where there are homes that cost a million dollars to build. But they indulge themselves," said Ana María de Moya, an Uruguayan society woman who produces perhaps the best French cooking in Uruguay. Moya studied cooking with Paul Bocuse in Lyon. She went there after three

years in a hospital following an automobile accident, a divorce and a new start on life as owner of a hotel and restaurant at Barra. It was Moya who cooked the banquet for President Julio María Sanguinetti's inauguration.

She said, however, that she did not think much of the opinion of Uruguay's "populist" democratic politicians when it came to food and Punta del Este. "They eat pasta mixed with beans and a piece of burned meat and think that is cooking. They will not come to Punta del Este because they say there are no voters to shake hands with here," she said over dinner at her hotel, La Posta del Cangrejo.

"But I employ 40 people all year round here who would otherwise be in the countryside looking for work, and I buy quality

produce that farmers grow from my seeds. So, I ask you, who is doing more for the people?" she said.

Within sight of Punta del Este to the west is Punta Ballena, or Whale Point, where Carlos Paez Vilaro, Uruguay's unofficial cultural host, receives visitors in the most bizarre house in the resort.

Casa Pueblo, as Paez calls his home, is a ghostly white structure of cement and junkyard iron smoothly hand-sculpted into domes, turrets, balconies and terraces that cling to a cliff over the sea. Inside, there is not a single right angle. Tiled rooms are connected by archways and by sinuous corridors named, like streets, after Paez's literary friends, such as the late Jorge Luis Borges. On the walls are pictures of Paez with Picasso, with whom he studied art in Paris, and primitive African statues collected during the owner's globe-trotting days.

Paez, 62, is applying his ideas of architecture as sculpture to the construction of a 30-room guest house next to his home. He said he hoped his real-estate friends would sell space in the guest house to artists and others who would like to share Paez's magnificent sea view but not the privacy of his home.

When international officials visit, Paez receives them like pilgrims to a shrine. The other day it was a Soviet delegation with two members of the Communist Party Central Committee. After handshakes, toasts to cultural ties between the two countries over a glass of whiskey, and gifts from Paez's collection of prints, Paez was invited to have a showing in Moscow.

"I have never been to Russia, but since you have come to Casa Pueblo, we should have an exchange," said Paez, who believes in travel. He has spent half his life abroad, studying art, making movies, painting murals and making friends in Africa, Oceania, the Americas and Europe.

Mariskones, Calle Resadero, tel. 40408. Open daily from Dec. 15 to the last day of Holy Week, and every weekend. Meal for two with house wine, 4,900 to 6,500 pesos (\$30 to \$40).

La Posta del Cangrejo, La Barra, tel. 20021. Meal for two with wine, 6,500 to 9,800 pesos.

Al Paso, Calle 18 de Julio 898, Maldonado, tel. 22881. Meal for two with wine, 3,600 to 4,400 pesos.

Juan de Onis, a journalist based in Rio de Janeiro, contributes frequently to the IHT.

## SHOPPING

# Kyoto: Traditional Aesthetics In Everyday Use

by Amanda Mayer Stinchecum

KYOTO, Japan — For centuries the center of many of Japan's traditional arts, Kyoto has a reputation for conservatism in the arts as well as in customs, but fosters contemporary design in the decorative arts, or *kogei*, as well.

Maronie, a shop and gallery in Kyoto's central shopping area, focuses on art of use primarily for the home, with a contemporary sensibility but crated with the workmanship, techniques and materials of Japan's traditional arts — mainly ceramics, lacquer, paper, bamboo, wood, textile and metalwork.

As on turn off crowded Kawaramachidori into Maronie's quiet interior, you may overlook the discreet display of whisky bottles to the right, the door. "Maronie used to be a liquor store, with a few things for sale here space permitted," explained its director, Nishikawa Iwao. "The for a while it was a rental gallery, mostly for students' work. Then gradually the craft shop took over. Now we're in a transitional phase, between crafts and contemporary arts with more emphasis on the gallery." While the shop downstairs sells objects that could best be described as contemporary decorative arts, the gallery upstairs concentrates on the work of individual artists working mainly in traditional

media, showing the work of each artist for one week at a time. Almost all are three-dimensional works (that is, not painting or prints).

"Most of the artists were originally trained in the traditional arts," said Nishikawa. But, at least in the works he shows upstairs, they've now moved away from purely traditional forms and decorative themes to a freer style. "Only the lacquer follows the older forms rather closely," he continued, "because of the highly specialized nature of the work, where each stage of the piece is relegated to a separate craftsman. It's difficult to get things that have a new feel."

Nishikawa deals directly with the artists. Products from all over Japan are represented in the shop, but 70 percent come from the Kansai region in southwestern Japan. Perhaps because of the avid interest in the perfect preparation and presentation of both tea and coffee in Japan, as well as the requirements of Japanese cuisine for a separate bowl or plate for each dish in the meal, ceramics account for 40 percent of Maronie's sales, and the gallery has more ceramics exhibitions than anything else.

Because everything is made by hand, and because Maronie values the creative imagination of its sources, customers cannot count on finding identical items on the shelves two weeks running. Among the pieces that caught my eye on my last visit were a fluted, pale celadon pitcher by Oka Shin'ichi (945), shell-like white porcelain tea and coffee cups and saucers in graceful, classic shapes by Katsumo Hirokumi (from \$17 for a demitasse cup and saucer), a rosewood tape dispenser (\$65; \$47 in oak) and a

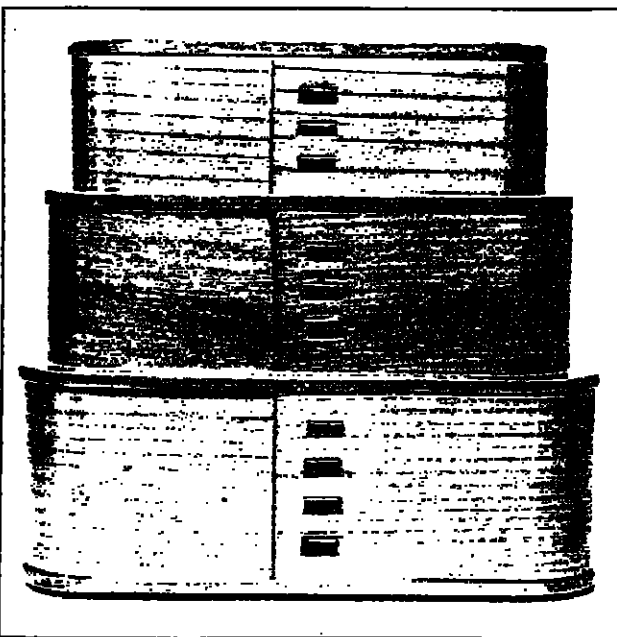
retractable tape measure in an oak case (\$18) by Senga Isbo design studio.

Variations on Japan's traditional textile arts lend themselves especially well to functional interior decoration: Ueda Yumiko's room-divider curtain of tapestry-woven panels in gray, tan and dark brown hemp-like material (\$270) would blend in equally well with a contemporary Western-style apartment or a traditional house, and Tomita Jun's white, brown and gray ikat table center, woven of similar plant fibers, would be at home equally on a Mission-style oak desk or a richly lacquered tansu chest (\$48).

Adhering more closely to traditional prototypes but strikingly modern in sensibility were three bentwood boxes of lacquered cryptomeria wood (\$32), fastened with strips of lustrous deep red cherry bark, from Odake Kogei in Aomori Prefecture, famous for its cherry bark products (the three boxes fit one inside the other; this type of box is customarily used for the special foods served at New Year's); colorless and cobalt-blue cut-glass tumblers (\$32 each) of a type called Edo kiriko; and bamboo baskets for bread or sweets from Beppu in Kyushu (\$19 to \$41).

Maronie, Kawaramachi Shijo-ogara, Nakagyo-ku, Kyoto (tel. 221-0117) is open from 11 A.M. to 9 P.M. The gallery is open noon to 8 P.M. Both are closed Monday.

Amanda Mayer Stinchecum, who contributed this article to The New York Times, is writing a guide to traditional Kyoto shops.



Lacquered bentwood boxes.



TRAVEL

Britain, Land of Civilized Cycling

by Barnaby J. Feder

JUST as some countries are ideal for romance and others for relaxation, Britain is made for bicycling. This might seem a wildly eccentric thought for windy, chilly, rainy Britain. Those who have traveled its country roads know that they often are hemmed in by hedges and in many areas plunge steeply into dells before shooting straight up the other side. And most towns seem too compact or too well served by public transportation to make a bike useful, while London's geography and traffic are overwhelming.

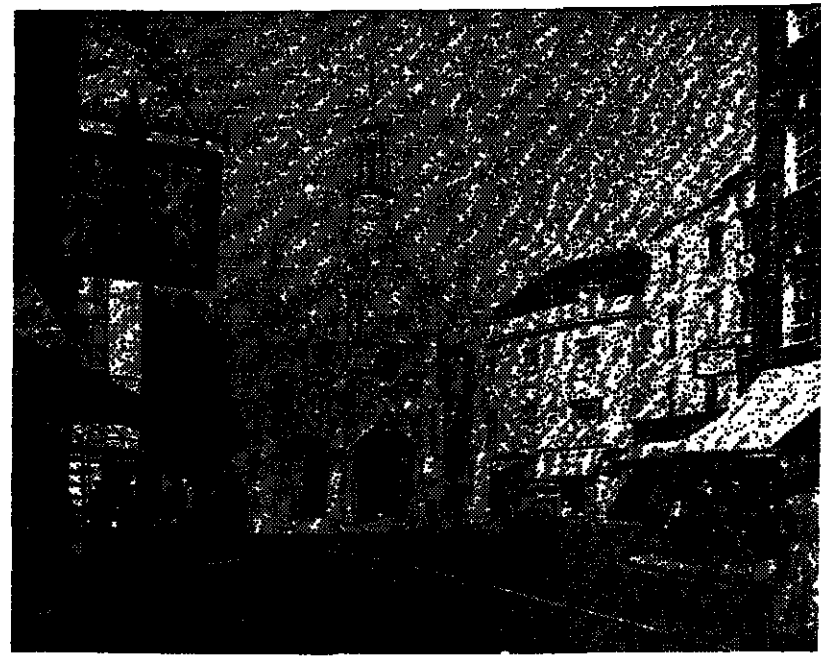
The attractions start with motorists who are generally more accustomed to cyclists than Americans, drive smaller cars and are more polite. And, because winters are usually mild, fewer roads are laced with patches and potholes. The roads seem to be kept cleaner, too.

The thing I came to appreciate most, however, is how often a town or village is just around the bend. Civilization is always nearby, whether it appears as a country manor, a village with a pub or coffee shop to duck into if it starts raining, or a market town. The result is that the cyclist can pedal through moorland, meadow or forest, with the secure feeling that help and shelter are accessible if needed. Moreover, centuries of settlement have left the countryside crisscrossed with a vast web of small roads, making it easy for riders to get almost anywhere without spending much time on heavily traveled highways.

The same long history that created the road grid also left much of the countryside strewn with cultural and historical points of interest. Few of these sites are impressive when stacked up against such attractions as Windsor Castle or Bath but they are all the more revealing of what Britain is really like for being out of the way or modest. They are rarely visible from trains or visited by tour buses. Even in a rented car, one's tendency is to hurry by to some better-known destination.

I was lured into bicycle touring by a friend living in London after I'd had some months of pedaling to work and around London. Thanks to rules that allow cyclists to take their bikes on certain London subway lines (District, Circle and Metropolitan, among others, but not during rush hours), we were able to easily reach the outer northwestern suburbs for my first full day of riding. The Chiltern Hills were a struggle, but the early summer countryside was even more breathtaking than riding uphill. We passed a steady stream of red-brick villages — such as Amersham and Beaconsfield — where many of London's well-off suburbanites spend their evenings and weekends.

We wandered through old churches, enjoyed a pub lunch, and rolled our bicycles through muddy fields on public rights-of-way under the watchful eyes of cows. In the afternoon we discovered a dog show and fair. By the following summer, in 1985, I was



Chichester, Sussex: pubs and monuments are never far away.

ready for a long weekend of bicycling with friends who had brought their cycles from Cornwall, Connecticut, for three weeks of touring. I caught up with them in the cathedral city of Norwich, the capital of the generally flat region of East Anglia. That was easy because British Rail makes it convenient to travel with a bicycle. Most trains are equipped with freight cars in which cycles can be loaded end-to-end. Bikes usually travel free. Another advantage for cyclists is that most bikes fit into Britain's large, black taxicabs.

East Anglia can be swept by winds that halt cyclists dead in their tracks, but we enjoyed perfect July weather. Clumps of bright red poppies lined the fields of grain and orchards as we rode northwest on the Eighty-Twoedunes through Aylmerford and Kesgrave, where we cut back toward Blythburgh Hall, one of the region's grandest National Trust homes. We stretched as we took time to tour the richly furnished Jacobean rooms, survey the lawns leading down to the lake and walk in the manicured gardens.

The afternoon's ride took us past Little Snoring and Greater Snoring to Little Walsingham, a town in which both Catholics and Protestants have shrines. The next day we pedaled northeast to Blakeney and along the coast to a village called Clay Next the Sea and visited the nearby Salthouse Broad, a National Trust bird sanctuary. The well-located blinds offered views of many species of seabirds through binoculars. The trip taught me that a tour can be memorable without being a marathon. We did about 40 miles in the two days.

Last summer, I met one of my friends for

another short tour. We met at Berwick-upon-Tweed, a well-preserved fortress town that sits astride a bluff overlooking the North Sea where England and Scotland meet at the outlet of the River Tweed. Our plan was to take two days to bicycle over the Lothian Highlands to Edinburgh. We woke to a misty day that threatened heavy rain and zero visibility in the barren uplands. So we decided to take the train past a tough coastal stretch, one of the rare places where the only reasonable route was a busy highway, and head into the city on a leisurely ride from the town of Dunbar.

After a quick tour of the ruined fortress overlooking Dunbar's fishing harbor, we spent most of our time on lightly traveled back roads that rose and fell gently through the coastal farmland. By late morning, we reached Tantallon Castle, a ruin on a promontory where the Firth of Forth meets the North Sea. The walk through the crumbling parapets is safe enough, thanks to well-constructed railings, but perhaps a bit much for anyone uncomfortable with heights.

Cormorants, Brent gulls and kestrels weaved around the cliffs while Bass Island, a mile or so offshore, seemed to pulsate eerily, thanks to the comings and goings of what, through binoculars, turned out to be tens of thousands of gannets.

Compared to such citadels as Warwick or Edinburgh, Tantallon leaves plenty of the imagination. To my mind, that's what makes it well suited for a slow approach by bicycle as part of a country outing. It allows time to more fully imagine the colorful rise and fall in the fortunes of the Douglas clan that owned it.

After Tantallon, we strolled on small, well-preserved castle in Duffield. We headed inland under spitting skies for bed and breakfast place in Haddington, a market town at the edge of the Lothian Hills, five miles cycling into Edinburgh.

Last August, bicycling proved to be an inexpensive, convenient way to deal with the drawbacks of a last-minute decision to attend the Sidmouth Folk Festival in Devon. Unable to find accommodations near the center of town, a friend and I resorted to tour bikes. We took the train from London to Exeter, rode 15 or so miles to Sidmouth to a bed-and-breakfast house from which we commuted back and forth to the various dances and performances free from worry about parking.

The ambitious cyclist can take on Britain in much bigger chunks. One way to do so is to sign up for an organized tour. Both British and American-based groups offer a variety of bicycling holidays. The Cyclists' Touring Club, which sponsors some rides and is an invaluable source of advice for cyclists in Britain and Ireland, is the best clearinghouse for information on local cycling events.

Bike Events, a Bristol organization that sponsors bicycle trips, is noted for its London to Brighton day ride, an annual 56-mile jaunt in June that this year attracted 27,300 riders.

Organized tours can take you from one end of Britain to the other or concentrate on specific favorites, such as the Cotswolds. Many will provide bicycles, carry your supplies in support trucks and offer maintenance help. My only group experience was a modest one — Bike Events' Bicycle Belle. This is a day trip into Kent on a chartered British Rail train to a depot where cyclists depart on any of eight rides. The eminently civilized goal is to see some countryside and be back for tea, which is served on the station platform.

The British Tourist Authority can provide free booklets that will help in preliminary bicycle trip planning. The booklets give information about where cycles can be rented if you don't want to bring your own and listings of British groups such as Bike Events (Post Office Box 75, Bath BA1 1BX, Avon, England; telephone, Bath 310859).

Two books with detailed route information are the "Cyclists' Touring Club Route Guide to Cycling in Britain and Ireland" by Christa Gauden and Nicholas Crane and "Weekend Cycling" by Christa Gauden. One problem with the route guides in the books is that the maps have no topographical information. Bicyclists planning to tour on their own should purchase Ordnance Survey maps (the 1:50,000 series) or Bartholomew maps (1:100,000). You can write to Edward Stanford Ltd., 12-14 Long Acre, London WC2E 9LP for mail-order service. The phone numbers in London 836-1321.

1986 The New York Times

THE FREQUENT TRAVELER Door-to-Door Service Offered For Frequent Air Travelers

by Roger Collis

IT'S 9:30 A.M. in Stockholm. You've just finished reading the mail when you get a message confirming the meetings in Copenhagen which had been tentatively scheduled for later today. No problem. You've brought a bag to the office just in case, so you call up SAS reservations on your video text system and book a flight, a hotel and a limo to take you to the airport. The SAS limo arrives at 10:30 and the driver hands you your boarding card. He also checks your bag at the airport while you go straight to the Scanorama Lounge where you can have a cup of coffee and use the phone. You land in Copenhagen around noon. While waiting for your bag to come off the plane, you go to the SAS Scandinavia hotel desk in the arrival hall, where you check in and get your plastic computer-derived key. You can now relax and go off to your meetings. When you get to the hotel later in the afternoon, your bag is waiting in your room. The next morning you check in for the return flight at the same time as you check out of the hotel. You hand over your card, receive your boarding card and devote the rest of the morning to business. When

Businessmen need more than airlift

you arrive at the airport you go straight to the departure gate.

Supposing you had wanted to make it a day trip, either returning to Stockholm that evening or flying somewhere else. Instead of camping in other people's offices between appointments you use the hotel business center as your base, as though you were a registered guest. All you pay for are phone calls, telexes and the like; you can even have a free sauna before checking in for your flight at the SAS desk in the lobby.

This is an example of how you can use the SAS "Destination Service," a smorgasbord of travel products, which the airline launched a year ago in Scandinavia and is gradually extending to all of its major business destinations. The idea is to win the hearts and minds of frequent travelers by offering first and business class passengers (which with SAS means everyone who has paid the full economy fare) the same standards of comfort and service on the ground as in the air. SAS president and chief executive, Jan Carlzon, said, "The battle in the air will be won on the ground. There are limitations to what you can do in an aircraft cabin. And airlift is only part of the service which the business passenger needs."

Many airlines provide first and business class passengers with separate airport check-in, use of executive lounges, and free limos and helicopters at intercontinental gateways. For example, British Caledonian offers a "Door to Door" service on its routes between Gatwick and Houston, Atlanta, Los Angeles, Dallas/Fort Worth, New York and Hong Kong for first and business class passengers. You get a free limo transfer in both directions within a 40-mile radius of the airport. You can also opt for free first class rail travel to the airport and free parking for up to five days at Gatwick. You're also free to use the B-Cal Chieftrain Club lounges at Gatwick and New York.

"One problem with making lounges available for all business class passengers is that they become more of a zoo than the public lounges," said Andy Bridgeman, head of research and product development at B-Cal. "The same applies to limos. We have 60 to 70 a day ferrying people to and from Gatwick. It's only relatively small carriers like B-Cal and SAS that can really do this kind of thing." According to Per Stenbekken, director of marketing services, the aim of the SAS Destination Service is to provide an integrated travel facility where all full-fare passengers can book ground transportation and hotel rooms at the same time as their plane tickets. They can do this either through their travel agent (SAS owns Nymen & Schultz, Sweden's largest travel agency) or directly with the airline and ultimately will be able to bill it to their charge card on a video text terminal or self-ticketing machine. (It's with this in mind that SAS recently acquired the Nordic franchise for Diners Club). "Our research shows that quality and efficiency are more decisive than price

for short trips within Europe," Stenbekken said. "Our idea is not to reduce prices but to provide the best possible integrated service without a surcharge."

The Destination Service includes the run of Scanorama lounges at 20 airports. SAS limos are not free (except for transfer between La Guardia and JFK); they are offered at "reasonable prices" as part of the Destination Service at 26 cities. A limo between Schiphol and the Hotel Okura in Amsterdam costs 60 guilders (about \$26); between Heathrow and the Portman Intercontinental, £25 (about \$36); JFK and the Plaza, \$30; Narita Airport in Tokyo and the Hotel Okura, 12,000 yen (\$78) and Arlanda and downtown Stockholm, 145 to 185 Swedish crowns (\$21 to \$26.80), depending on whether you want a limo to yourself or are prepared to share with other passengers.

"We find that first-time travelers to a destination are more likely to use a limo than the experienced traveler who can cope on his own," Stenbekken said. An alternative is to rent a car from Hertz with whom SAS has a special agreement in 42 cities. The package price includes unlimited mileage and insurance. For example, in London you'll pay \$45 a day for a Ford Sierra and \$78 for a full tank of gas. According to Stenbekken, if you drive 100 kilometers you'll save 11 percent in Paris and 24 percent in London. If you drive 300 kilometers you save 55 and 60 percent compared with the normal rental.

Hotels are a key feature of the Destination Service. SAS owns the SH chain of 19 hotels, the majority of which are in Scandinavia, with the exception of the newly opened SAS Amara in Singapore, the SAS Palace Hotel in Vienna and the SAS Kewst Hotel. Next in line are SAS hotels in New York, London, Amsterdam, Helsinki and Beijing. SAS says it plans to have its own hotels in every major SAS business destination within the next five years. Meanwhile, SAS has 40 "Associated Hotels" participating in the Destination Service. These include the Frankfurter Hof, the Hotel des Bergues in Geneva, the Hotel Vier Jahreszeiten in Hamburg, the Ritz in Lisbon, the Negresco in Nice, and The Plaza in New York. Guaranteed reservations can be made at all of the 59 hotels in the program. According to SAS, more than 7,000 bed nights a month are being booked through the Destination Service. In SAS owned hotels there are special perks, such as a three-hour laundry service, late check-out and a "no excuse" program whereby if something doesn't work, such as your TV or shower, and it's not put right within an hour, or if a message isn't delivered, there's no charge for the room. However, there's no special deal in the program for corporate rates ("That's the next thing we'll have to look into," Stenbekken said) so you'll have to make your arrangements through your travel agent or directly with the hotel.

According to Stenbekken, the most popular feature of the Destination Service is airline check-in at the hotel. "We have 1,500 check-ins a month. The last three hotels offer this service, all in destinations served by more than one SAS flight a day. Starting this summer, SAS has been running an experiment in Copenhagen, Göteborg and Oslo (Stockholm will soon be included) for hotel check-in at the airport. This will be evaluated next April and extended to other airports if it proves popular.

HOLIDAYS & TRAVEL

PORTUGAL HOLIDAYS see classified

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HOTEL

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Golden Tulip Barbizon 140 East 63rd Street at Lexington Avenue New York, NY 10021. Reservations: Call your nearest travel agent or KLM Royal Dutch Airlines.



HOLIDAYS & TRAVEL

LEISURE

Advertisement for S&M Leisure in Monte-Carlo. It features a large illustration of a man in a suit holding a golf club. Text includes: 'IN MONTE-CARLO REFINEMENT IS THE NAME OF THE GAME', 'The Société des Bains de Mer wants you to join them for a week of golf or tennis.', 'If tennis is your game, there is a specially designed programme enabling you to play as long as you wish on one of the 23 day courts overlooking the sea.', 'Two hours of private lessons will help you improve your backhand or your swing.', 'You will receive a welcoming gift, a box of golf or tennis balls and a surprise from the Casino.', 'You will have access to the fitness centre at "The California Terrace", to the Casino and the beach. All of these are available simply by using your S&M Gold Card.', 'S&M NEW YORK OFFICE, 505 Park Avenue, NEW YORK N.Y. 10022 USA. Tel.: 212-688 96 90 (800-221 47 08). David ADAMS - Set des Bains de Mer, 57, Promenade de la Corniche, Monaco. Tel.: (01) 839 48 81. \*Transfer service to the airport, train, bus, boat, car, taxi, and more. \*S&M Gold Card, breaks, loans and services available.'

The Secrets of Salers

SALERS, France — Here in the rugged and misty mountains of the Auvergne, the sturdy, mahogany-colored Salers cows have nibbled the once-lush mountain pastures to stubble, which means it is time for them to descend to the valleys and sit out the winter. Their owner, Raymond Dutrey, has just completed his 35th year as a cheese maker, a craft in which he takes pride. He rises each morning at 5 to reach the mountains by 6, where, with two assistants and one donkey, he works well into the night tending his herd of 44, milking each cow by hand twice a day, and transforming their milk into the earthy mountain Cantal known as Salers. A few hours with Dutrey explains why almost no one does it this way anymore; why handmade Salers has given way to blender, standardized, assembly-line Cantal; why the prized Salers breed of cows, renowned for a milk that tastes of mountain flowers, is slowly being phased out. Their milk may be rich, but they don't give enough to satisfy a dairy industry bent on industrialization. Here in the mountains near the medieval hill town of Salers, life centers on the isolated barn, a tidy, two-story, gray stone shepherd's hut where the cheese is made and where the two workers live who remain from early May to late September — the only period during which the 10-to-40-kilogram (22-to-88-pound) wheels of cheese can be made — cheese that has been known in this region for 2,000 years. The barn is not wired for electricity; heat comes from the stone

FOOD

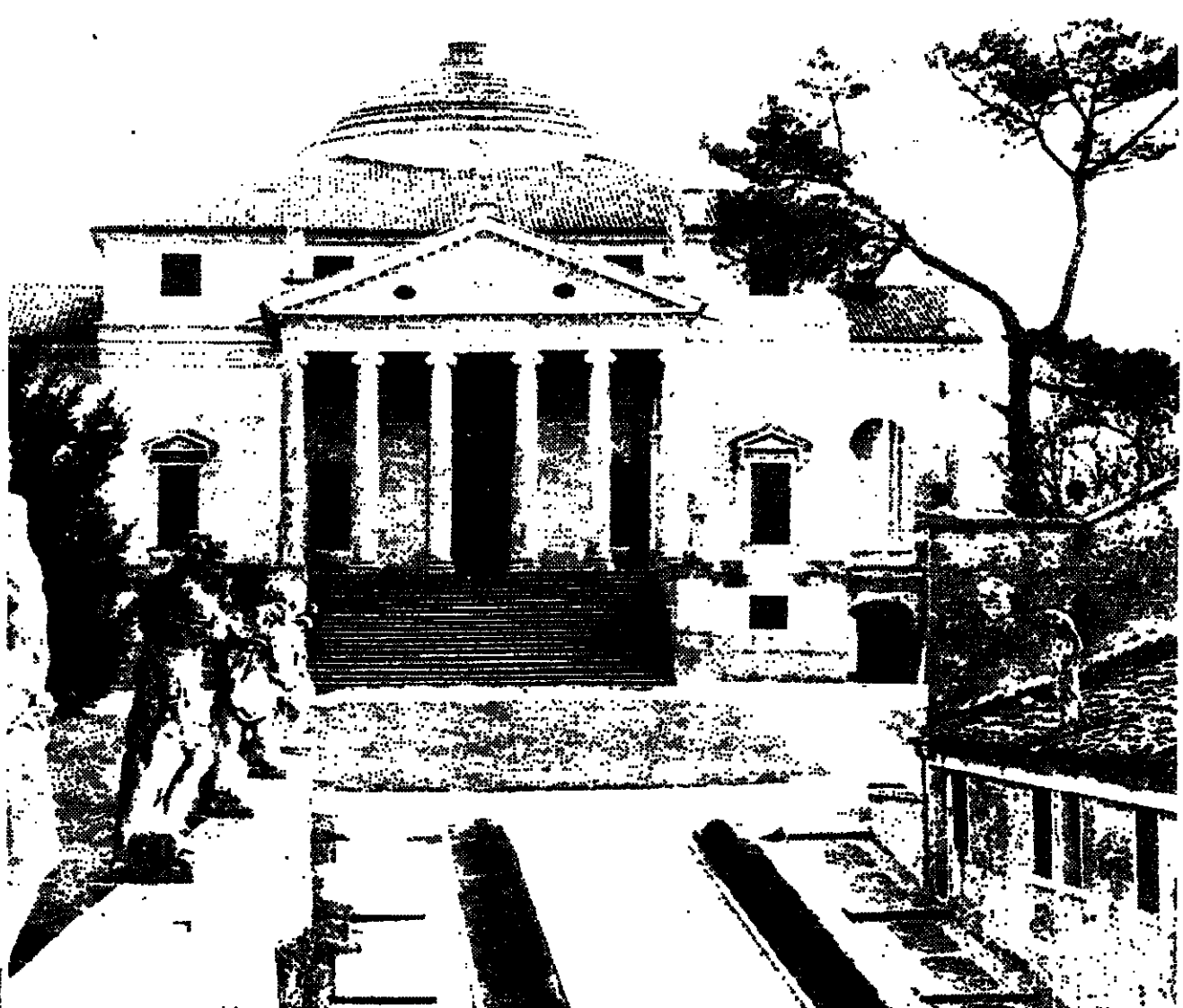
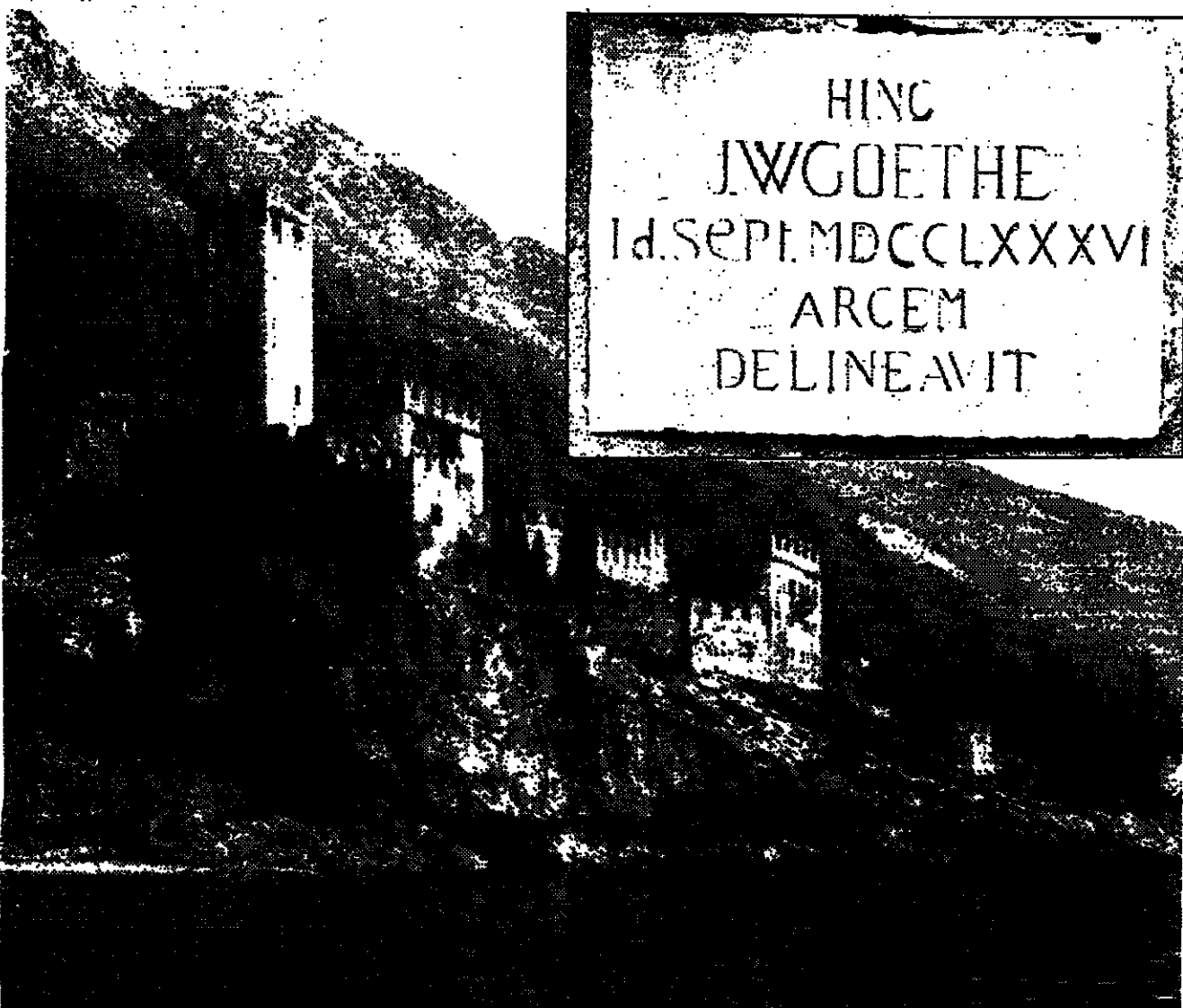
fireplace, and water from nearby streams. For the second time that day the fresh, ivory-colored milk has been poured into a large wooden barrel on a wooden cart, then quickly wheeled from the pasture to the barn below. The sun is setting, and eyes adjust slowly to the darkened room that doubles as parlor and cheese-making center. Dutrey pours a shot glass full of liquid. The next morning he will cut the compacted block of slices, pass the slices through a sizer that looks like a giant gnat's grater, salt the newly formed curds then press them into cylindrical wooden molds. Days pass, and when the cheese is firm enough, and strong enough to stand up on its own, he will transfer the white cylinders to the cool, mild cellar adjacent to the parlor here, the cheese will rest for more, attended to day by day as the wheels are turned, and finished, tied and massaged with whey will finally the crust turns the golden color of freshly harvested wheat.

From May to October, British may arrange for visits to organic farms through the Synchro Initiative in Salers, tel: 71.400.62. Year-round, individuals may visit the farm of Françoise and Charles Verrier in the town of Salers, north-east of Vézère. Call: 71.42.16 to watch them make Cantal, Salers, and Dômes. Salers, who at 6:30 P.M. daily except Sunday visitors may watch the Rigault family make their Salers-Nantais-Dôme cheese. Salers, near Chomel de La Justice, near village of Les Nectaires, tel: 73.88.75. Cheese may be purchased at both farms.

The Salers herd, and cheese in the making.



TRAVEL



Scaglieri Castle, Lake Garda with (inset) the plaque in Malcesine from where he sketched it, and (right) Palladio's Rotunda, Vicenza.

Reliving the Romance of Goethe's Italian Journey

by James M. Markham

VICENZA, Italy—A fugitive moon slipped among the clouds over the Rotonda, whose marble flanks were washed with spotlights. "Viene Goethe," whispered citizens of Vicenza, seated on chairs arrayed on the lawn of Palladio's 16th-century architectural masterpiece. "Goethe is coming." Like a password, the message rustled through the audience as the jingling clatter of the horse-drawn carriage grew louder and nearer—and then, a vision in the Italian night, there he was. This legendary German sojourner was once again on the spiritual quest that he first made in 1786 and that has been emulated by millions since.

"Here I am again in Italy!" exclaimed Paolo Graziosi, an Italian actor whose aquiline nose and noble carriage gave him an astonishing resemblance to the portrait of Johann Wolfgang von Goethe painted by Wilhelm Tischbein in Rome two centuries ago. As his two white horses stopped obediently on the gravel drive of the Rotonda, Graziosi aligned as if awakening from a reverie. And for the next hour and a half unfolded a magical evening of drama inspired by Goethe's "Italian Journey"—one of the classics of travel literature—recalling the poet's musings, romances and adventures during his incognito wanderings 200 years ago.

Applauding, Goethe's interlocutors at the Rotonda were wispy sprites and fairies who

of rebirth we associate with vacation. As I happen to live among the Germans, and their weather, I thought I might learn something about them, Goethe and Italy by retracing some of his odyssey (I also thought I might see the sun). My own associations with Italy antedate any possible Goethian midlife crisis, and go back to a happy summer spent studying Italian at Perugia in 1963.

It turns out that the Vicenza Festival—its witty poster shows Goethe racing to Italy in a sports car—is but one homage to the German Ur-Tourist in this 200th anniversary year of his journey. On the major steps of his spontaneous but inspired itinerary across northeastern Italy—Torbolo and Malcesine on Lake Garda, Verona, Vicenza, Padua and Venice—the late summer and autumn of 1986 is punctuated by Goethe-related lectures, symposiums, art exhibits, recitals and symphonies. These are salutes not only to Goethe, but to Italy's biggest single tourist constituency. Last year, 5.9 million Germans traveled to Italy; a tourist stream steadily growing by 5 to 7 percent a year.

Goethe's homeland will not be neglecting him, either. "Inspired on Classical Soil," an exhibit assembled by the Goethe Museum in Düsseldorf, will open in Bonn on Oct. 22 and then meander, somewhat in the manner of the poet, through Italy and West Germany for much of the year. In East Germany, the Goethe Museum in Weimar plans an exhibit on the writer's German artist friends in Italy. Although Weimar was the jumping-off point for Goethe's trip, the Communist authorities seem keen to play down the traveling aspects

of the Obermarkt that today has a pharmacy on the ground floor. "It was the post house," explained Achim Nordhaus, a pharmacist who has read up on what is known as the Goethe House. "Next to it was the pilgrim house, where the poor people stayed."

It is more than endearing to anyone who has struggled to pin down nature's beauty in words to find Goethe, a shaper of the German language, gazing in his diary in postcard clichés as he nears the Brenner Pass. "The landscape is of an indescribable beauty," he writes on Sept. 8; the notes for the "Italian Journey" are similarly full of banalities. The poet was clearly fixated about climbing to the mighty Brenner Pass and then starting the slow descent toward Italy through the mountains; his coachman was jaded, and fell asleep.

One goes a lot faster today in an automobile. With my dog-eared copy of "Italian Journey" on the dashboard, I permitted myself to meditate grandly on the meaning of this long descent from the Brenner, through the German-speaking Alto Adige province of Italy and its Teutonic castles daringly perched on Alpine outcroppings, and then to the first intimations of the Mediterranean. Through the Brenner one crosses from one European civilization to another—from an indoor civilization to an outdoor one.

As he sniffs the south, Goethe feels this change; he excitedly notes grape trellises, Bobzano awash in the sun, a woman selling pears and peaches. "If someone who lives in the south or was born there were to overhear my enthusiasm at all this," he writes on Sept. 11, "he would think me very childish. But I already knew about it when I was suffering, alas, under an unfriendly sky, and now I have the pleasure of feeling as an exception this happiness that by rights we ought to be able to enjoy as a rule of our nature."

By midnight I had reached Torbole by a precipitous road leading down to the limpid, glacier-fed Lake Garda, to which Goethe made a felicitous detour. He lodged at an inn that was called Alberto alla Rossa, facing the lake; it is now a pale green apartment building, but a plaque notes that he spent the night of Sept. 12, 1786, there. I felt securely in his footsteps.

Mountain-blanked Lake Garda lives from German tourists today. "We consider Goethe to have been the first tourist, and the most important one who ever came to Torbole," said Ferdinando Martinielli, the town's director of tourism. "Goethe opened the door, and the others followed." Even before the postwar era of mass tourism, writers like Friedrich Nietzsche, Thomas Mann and Franz Kafka were drawn to the restful beauty of Italy's biggest lake.

Today Goethe would probably be confounded by the brightly colored wind surfers puffing up and down Lake Garda, the mobile campers and the rock-climbers picking their way up the sheer walls at the water's edge. In the 18th century, no road had been chiseled into the mountainside, so Goethe had to take a sail-rigged rowboat down the lake, reaching at Malcesine the frontier between the Austrian Empire and the Venetian Republic.

"We should treat him as a friend and set him at liberty," Gregorio told his fellows, "so that he may speak well of us to his countrymen and encourage them to visit Malcesine, whose beautiful situation so well deserves the admiration of foreigners." A bust of Goethe now stands in a privileged nook in the Scaglieri Castle. A plaque at the lakeside Hotel San Marco commemorates his two-night stay. After climbing to the top of the castle for a three-star view of the lake, I had lunch at the sun-dappled terrace of the Hotel Italia right on the water, then pressed on to Verona in the master's footsteps.

This was an invigorating way to travel. Goethe is a good companion, and by the time I reached Verona I was seized by a bizarre obsession to see everything he did. Shortage of time finally defeated me—he spent several days in cities where I had only one—so I had my revenge by seeing some things that he had ignored. In Verona, locked in his back-to-the-classics mode, Goethe missed the Church of St. Zeno, which rests on a chapel site dating from the fourth century. Built between the 11th and 12th centuries on the banks of the Adige, St. Zeno is one of the finest Romanesque churches in Italy.

But this is a matter of taste. Our age is probably more pulled to the restless, tormented faith of the late Middle Ages than to the serene neo-classicism that was Goethe's lodestar. In Verona, he found beauty in the utterly pedestrian Porta del Palio,

one of the gates to the city where Italian war veterans now gather and reminisce. But in Padua he missed one of the major attractions of the city: the Scrovegni Chapel containing 38 remarkable frescoes by Giotto.

In Verona, our tourist Goethe records having "unspeakable fun" dressing as a member of the Italian middle class and copying their mannerisms. In the July heat, I had problems with my choice of garment and was asked to leave the Duomo because I was wearing shorts. In the evening I too changed into the Italian middle class, and managed to get myself admitted to an uplifting rehearsal for the opera "Aida" in the Roman amphitheater—for Goethe "the first great monument of the ancient world I have seen."

Goethe announces his arrival by boat in Venice portentously enough: "It was written then, on my page in the Book of Fate that at

5 in the afternoon of the 28th day of September in the year 1786, I should see Venice for the first time as I entered this beautiful island-city, this beaver republic."

He was an indefatigable visitor and "did" Venice thoroughly. He also fretted constantly about the "disgusting sludge" and "vile-smelling muck" created by the Venetians heaving their garbage into the canals. "As I walked," he writes, "I found myself devising sanitary regulations and drawing up a preliminary plan for an imaginary police inspector who was seriously interested in the problem." Goethe would be pleased to know that today barges regularly pick up Venice's garbage.

With only one full day in Venice, I finally felt utterly behind Goethe's itinerary. But, by a stroke of serendipity, my short stay coincided with the Festa del Redentore, one of the city's two great festivals, and, double

serendipity, it is connected to Goethe's beloved Palladio. In 1576, to give thanks for liberation from the plague, the Venetian Senate vowed to build a church that would be the site of an annual pilgrimage of thanksgiving. Palladio designed his sacred masterpiece, the Church of the Redeemer on the island of Giudecca, and every July the people of Venice crossed to it on a bridge of boats spanning the Grand Canal and the Canal of Giudecca. Later, the bridge-spanning is done by pontoons erected by the Italian Navy, and on the Saturday night before the third Sunday in July Venetians light their boats with paper lanterns and set out for a glorious evening of fireworks and fun. The hardest celebrators get drunk on the beaches of the Lido.

I attended, and thanked Goethe for getting me there.

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Wilhelm Tischbein's painting Goethe in the Italian Countryside.

rekindled the German's Italian memories and piously made off with his wide-brimmed Rembrandt hat and cape; a soprano sang, matches of Franz Schubert accompanied by a pianist hidden behind a Corinthian pillar of what Goethe calls "a magnificent house."

"Architecture," he writes in his diary on Sept. 20, 1796, "has never, perhaps, achieved a greater degree of luxury." The luxury of the neo-classical Rotonda, which was the inspiration for Jefferson's Monticello, has remained in private hands; the villa belongs to the Valmarana family, who loaned it for two nights this summer to the Vicenza Festival.

Goethe, 37, set off for Italy from Weimar at 3 A.M. on Sept. 3, 1786, in the midst of a full-blown midlife crisis. Impulsively, he took a short leave of absence from his post as the right-hand man to the young duke of Saxe-Weimar, jumped into a coach without a servant or much luggage, assumed the name Filippo Moller and left for what turned out to be almost two years of renewal in the Mediterranean; his father had excused him with tales of his own Italian journey.

In Italy Goethe experienced what he called a rebirth, living a life "exactly like a youthful dream." Equipped with J. J. Volkman's "Historical and Critical News From Italy," Goethe was a conscientious tourist by anybody's standards; the notes and letters that became the basis of "Italian Journey" are full of assertions that he is hard at work improving himself at the fount of Western civilization.

Although they may never have read it, the "Italian Journey" has been a compelling metaphor for millions of postwar Germans, who every summer flee their sodden, cloud-transfixed land seeking sun and the kind

Advertisement for 'The Price of Art' book. The ad features a photograph of a gallery scene with people viewing art. Text includes: 'The Price of Art', 'April 1985: "The Adoration of the Magi" by Andrea Mantegna, sold at Christie's London for 8,100,000 pounds. Photo courtesy Christie's.', 'THE PRICE OF ART: PARIS, LONDON, NEW YORK.', 'Turning the pages of this colorful book evokes all the excitement and splendor of the great auction houses of the world. Beautiful color reproductions show you which of the major works of art—from old masters and ancien régime French through Art Déco—and the staggering prices many command today. And you'll learn which lesser-known treasures are setting new trends. Published in English jointly by the International Herald Tribune, Connaissance des Arts and Larousse, the book reveals the 1985 art markets of Paris, London and New York, with informal, but highly informative, texts by such experts as Souren Melikian, regular art market columnist of the International Herald Tribune. Enjoy the richness, buying tips from the experts, and behind-the-scenes gossip of "The Price of Art". Order today, for yourself or as a gift. Hardcover, 22 x 29.5 cm (9 x 12 in.), with 216 full-color photos.'

Form for ordering 'The Price of Art' book. Includes fields for name, address, city, and payment options. Text: 'INTERNATIONAL HERALD TRIBUNE, Book Division, 181 Av. Charles-de-Gaulle, 92521 Neuilly Cedex, France.', 'Please send me \_\_\_\_\_ copies of THE PRICE OF ART, at U.S. \$35 each, plus postage: \$4 each in Europe; \$8 each outside Europe.', 'Payment is by credit card only. All major cards are accepted. (Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)', 'Please charge to my credit card: [MasterCard] [VISA] [American Express] [Diners Club International]', 'Card no. \_\_\_\_\_ Exp. date \_\_\_\_\_', 'Signature \_\_\_\_\_', 'Name (in block letters) \_\_\_\_\_', 'Address \_\_\_\_\_', 'City/Code/Country \_\_\_\_\_', '3-10-86'



Vol.	High	Low	Last	Chg.
IBM	139.00	138.00	138.00	+1.00
Amgen	138.00	137.00	137.00	+1.00
Amgen	138.00	137.00	137.00	+1.00
Amgen	138.00	137.00	137.00	+1.00
Amgen	138.00	137.00	137.00	+1.00

NYSE 4 a.m. volume	128,600,000
NYSE prev. sess. close	7,977,000
NYSE 4 a.m. volume	7,400,000
Amgen prev. sess. close	1,800,000
NYSE volume up	1,200,000
NYSE volume down	1,200,000
NYSE volume even	1,200,000
NYSE volume up	1,200,000
NYSE volume down	1,200,000
NYSE volume even	1,200,000

High	Low	Close	Chg.
Composite	124.81	124.51	+0.30
Industrial	124.29	123.78	+0.51
Transport	124.29	123.78	+0.51
Utilities	124.29	123.78	+0.51
Finance	124.29	123.78	+0.51

Thursdays  
**NYSE**  
Closing  
Via The Associated Press

Class	Prev.
Advanced	23.00
Declined	23.00
Unchanged	23.00
Total Issues	23.00

Class	Chg.	Week	Year	Appl.
Composite	+0.15	+0.15	+0.15	+0.15
Industrial	+0.15	+0.15	+0.15	+0.15
Transport	+0.15	+0.15	+0.15	+0.15
Utilities	+0.15	+0.15	+0.15	+0.15
Finance	+0.15	+0.15	+0.15	+0.15

Vol.	High	Low	Last	Chg.
Wicks	415	410	410	+5
Dillard	315	310	310	+5
YocAir	215	210	210	+5
Hendrix	115	110	110	+5
Schaeff	115	110	110	+5
Hecht's	115	110	110	+5
Int'l	115	110	110	+5
BAT	115	110	110	+5
Hecht's	115	110	110	+5
AFRIC	115	110	110	+5
Woods	115	110	110	+5
F&O	115	110	110	+5
Nichols	115	110	110	+5
TIG	115	110	110	+5
DWC	115	110	110	+5
C&C	115	110	110	+5

Class	Close	Chg.
Govt	102.15	+0.05
Utilities	102.15	+0.05
Industrial	102.15	+0.05

Class	Prev.
Advanced	12.00
Declined	12.00
Unchanged	12.00
Total Issues	12.00

Buy	Sell	Net	
Oct 1	28,500	29,250	750
Oct 2	28,500	29,250	750
Oct 3	28,500	29,250	750
Oct 4	28,500	29,250	750
Oct 5	28,500	29,250	750

Open	High	Low	Last	Chg.	
Index	1778.25	1784.54	1787.71	1781.11	+6.66
Indus	1778.25	1784.54	1787.71	1781.11	+6.66
Trans	1778.25	1784.54	1787.71	1781.11	+6.66
Comp	1778.25	1784.54	1787.71	1781.11	+6.66

High	Low	Close	Chg.	
Industrial	188.50	188.20	188.20	+0.30
Transport	188.50	188.20	188.20	+0.30
Utilities	188.50	188.20	188.20	+0.30
Finance	188.50	188.20	188.20	+0.30
Commod	188.50	188.20	188.20	+0.30

Class	Prev.
Advanced	1.00
Declined	1.00
Unchanged	1.00
Total Issues	1.00

High	Low	Close	Chg.	
Index	22.24	21.57	21.57	+0.67

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
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### Stocks Turn Mixed in New York

**NEW YORK** — Prices on the New York Stock Exchange were mixed Thursday in moderate trading, flattening out after the rally of the past two sessions.

The Dow Jones industrial average, which rose 15.32 points on Wednesday, fell 1.69 points Thursday to close at 1,781.11.

Advances were slightly ahead of losers among the NYSE issues traded.

Volume fell to about 128.6 million shares from 143.6 million shares on Wednesday.

Prices were mixed in moderate trading of American Stock Exchange issues.

Analysts said traders were encouraged by the market's advance in recent days, even though it has been interrupted periodically by bouts of selling.

But they said participants in both the bond and stock markets proceeded cautiously Thursday ahead of Friday's report on the U.S. employment situation for September.

The August employment data seemed to signal a pickup in the pace of business activity. Other statistics for that month, however, provided little support for that view.

Thus, Wall Street observers will be watching closely to see whether the September figures continue to be strong.

Jon Groveman, head of equity trading at Ladenburg, Thalmann & Co., said stock prices were holding up "fairly well in the face of a somewhat weaker bond market."

Otherwise, he said, "it's a filler day, the market's not doing very much."

Most futures continued to trade at a discount to their cash indexes. Despite that, traders said,

### Tokyo Prices Plunge

**TOKYO** — Prices plummeted Thursday on the Tokyo Stock Exchange as institutional investors sold off shares of such large capitalization issues as securities firms, life insurers, transport, banks and gas issues.

Dealers said the blue-chip sell-off triggered widespread dumping of other issues.

The Nikkei-Dow Jones average ended with a loss of 545.26, at 17,019.13.

It was the Tokyo exchange's second biggest decline ever after the 637.33-point drop on Sept. 16. Turnover was moderate, however, falling to 800 million shares from 1.6 billion on Wednesday.

Sell programs were not a feature of Thursday's trading.

Most of the interest centered on the retailing group. Analysts noted that the retailers, drugs and foods, all former high-fliers, recently dropped on profit-taking and that some new buying has occurred.

Allied Stores, subject of a takeover bid from Campana Corp., gained 7/8 to 649. The company has rejected Campana's bid and said it will consider all alternatives.

Associated Dry Goods, due to be acquired by May Department Stores in a stock transaction, jumped 1 1/2 to 594. May gained 3/4 to 344. The Limited, an Ohio-based chain, gained 3/4 to 29 after picking up some recommendations from two analysts. The analysts cited a strong profit trend.

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
IBM	139.00	138.00	IBM	3.00	2.16	12.5	139.00	138.00	138.00	138.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00

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Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00

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Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00

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12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
IBM	139.00	138.00	IBM	3.00	2.16	12.5	139.00	138.00	138.00	138.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00
Amgen	138.00	137.00	Amgen	2.00	1.46	12.5	138.00	137.00	137.00	137.00	+1.00

Oct 3, 1986



Table with 2 columns: Index Name and Value. Includes AMEX index, Dow Jones, etc.

FRIDAY, OCTOBER 3, 1986

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TECHNOLOGY

Ford Engineers 'Playing' With Flexible Automation

By MARSHALL SCHUON. NEW YORK — Margan Whitney calls it his "technological sandbox," a place for engineers to play. It is Ford Motor Co.'s robotics and automation applications consulting center in Dearborn, Michigan, where Mr. Whitney is director.

Few U.S. firms outside of Detroit have the same sort of capability.

"The term means programmable equipment, as opposed to hard automation," Mr. Whitney said. "It includes robotics, machine-vision systems, computer integrated techniques and artificial intelligence."

"I think we as an industry have been driven more because of the intensity of our foreign competition," Mr. Whitney said, "but I'm sure it will come."

"In our three and a half years, we have enjoyed a lot of success," he said. "Out of roughly 300 projects, 80 percent is in production and running, and that has built credibility with our customers."

The customers are Ford's various divisions and component makers. They call on the center whenever they see a possibility for improvement. "Our mission is not to invent technology but to apply it," Mr. Whitney said, although he said that a lot of invention occurs.

In practice, the center takes a problem and uses the computer to simulate the answer. The second step involves execution of hardware, typically robots and the tools that attach to them. Finally, the finished process is videotaped for assessment by the company's top management.

THE COMPUTER SYSTEM can call up a robot, access Ford's design data base, then add the other elements of the workplace and "exercise" the robot through its animation capability. "We can view it from any angle," Mr. Whitney said, "and we can design a robot that can do the job."

As an example, he cited the problem of machine vision in sorting parts from suppliers' delivery bins and putting them on conveyors for assembly. "In this," he said, "we are departing slightly from our mandate, which is pure application, because many have tried to apply vision but no one has succeeded."

Typically, he said, the sorting has been done manually because vision systems do not sufficiently discern or are not fast enough. "Machine-vision is a very new technology," he said, "and it's difficult to make it work in this sort of situation. It requires a lot of effort to locate part characteristics, holes or edges, or what have you. And it's subject to variations in lighting, in color, in depth of the line, in the orientation of the parts. But we are succeeding, and next spring we will demonstrate our system."

Another problem that is being addressed by the center involves mounting wheels and lug nuts on vehicles as they move along the assembly line. "Some of these things involve re-assessing the fundamentals," Mr. Whitney said.

"For instance, it would be a lot easier if the line was stopped, so that suggests what may happen in the future. But we are trying to make it work on a moving line, because we are going to have moving lines for another 10 or 15 years. We can't wait until the world comes around to our way of looking at it."

See ROBOTS, Page 19



From left, Margaret Coddling, Glenn Raymond, Karen Corke and Edwin Butenbort, personnel resources director.

Kodak Tries to Ease the Pain of Layoffs

By Deborah Hoffmann. NEW YORK — When town home movies needed splicing, or octagonal prints needed shaping, when pale graduation portraits had to be brought back to life or odd-size posters enlarged, Eastman Kodak Co. sent the jobs here, to its flagship photo-finishing laboratory.

Indeed, the layoffs are a sharp reversal of "a strong philosophy of stability of employment" that has led to the hiring of entire families, said Robert Volpe, manager of internal placement. Mr. Butenbort said, "Some workers took it as a fact of life that to be hired by Kodak meant you were set for life."

Since November, when the first wave of employees received termination notices, nearly 1,000 blue-collar workers in various Kodak divisions have used the services offered by Drake Beam Morin Inc., the Manhattan consulting firm that Kodak hired. Many have also used the Career Resources Center in Rochester, where dismissed employees from various companies may have resumes typed, study job listings around the country and scan trade journals and catalogues for technical schools. The center also provides private offices with desk supplies and phones.

See KODAK, Page 21

Loans Called Unlikely to End Mexico's Troubles

By William Stockton. MEXICO CITY — Mexico's financial rescue package is unlikely to end its economic troubles, economists, bankers and financial analysts said on Thursday.

The money should pour into the country in the next 15 months. "These loans give us some breathing room, a chance to try to make our programs work," a government economic planner said Thursday. "But they don't necessarily mean an end to our problems."

One banker in Mexico City who has been involved with the Mexican debt problem for several years said: "Our hope is that they will channel a lot of the money to the private sector. That's where the economic growth will come from."

The government's recovery program, which depends upon the new loans that are to be received from foreign banks and international lending agencies, is regarded as a tricky undertaking.

The newspaper La Jornada, which often criticizes the government, seemed to agree. "The country has obtained a temporary relief, and that is how it should be taken," an editorial said.

The plan, as originally outlined, called for liberalizing credit to the private sector, renegotiating the foreign debt, reducing government spending and increasing revenues.

The experts agreed that it could easily fail. The government must quickly reduce inflation that will exceed 100 percent this year, bring down interest rates that sometimes approach 150 percent and reverse a recession.

The government has continued to reduce spending, although critics have said the cuts do not go deep enough. The government also has been eliminating subsidies on everything from tortillas to gasoline.

This has helped narrow the deficit, but has sent inflation soaring. In an interview while the debt negotiations were nearing an end, one of President Miguel de la Madrid's economic advisers said the hope was that the new foreign money would slow the steady devaluation of the peso.

The economy will have contracted 4 percent by the end of the year, and economic growth of 3 percent in 1987 is considered vital.

"It all depends on how the Mexicans use this new money to restart the economy," a foreign banker in Mexico said.

This would push inflation and interest rates down. Channeling the money into government works programs and loosening credit for the private sector would stimulate the desired economic growth.

The new loan package completed on Tuesday would bring in as much as \$7.7 billion of new money. That, coupled with loans of \$6 billion won from the World Bank and the International Monetary Fund and other international agencies last July, is a tremendous economic shot in the arm for Mexico.

Many foreign bankers as well as economists in the private sector feel that portions of foreign loans Mexico received in 1982 and 1983 were wasted when the government used them to cover federal deficits caused by excessive spending rather than to stimulate growth.

"It's plausible, but there's no guarantee it will work," a private-sector economist said.

Currency Rates

Table of currency rates for various countries including Australia, Canada, France, Germany, etc.

Other Dollar Values

Table showing dollar values for various currencies like Argentine, Australian, Hong Kong, etc.

Interest Rates

Table of interest rates for Eurocurrency deposits and other financial instruments.

Key Money Rates

Table of key money rates for various banks and currencies.

U.S. Money Market Funds

Table of U.S. money market funds including Merrill Lynch, Fidelity, etc.

Gold

Table of gold prices in various locations like New York, London, etc.

Oil-Price Fall May Hurt Sale of British Gas Corp.

By Warren Getler. LONDON — Forecasts of continuing weakness in world oil prices are casting a haze of uncertainty over the British government's preparations for the late-November sale of British Gas Corp., expected to be the world's largest stock offering.

The government's official sales campaign got under way Thursday with promises that British Gas's 16 million customers will be given priority in the allotment of its shares. Each utility customer will be guaranteed £250 (£360) worth of stock in a pitch to be made through direct mail.

The cheaper crude, analysts said, could hurt British Gas in two significant ways. Crude oil prices have fallen to the point where fuel oil has become an increasingly attractive substitute for natural gas among industrial customers.

Although the government has yet to put a value on the sale, current market wisdom here is that the stock offering could fetch at most \$5 billion to \$6 billion, down from estimates last year — before the oil-price collapse — of \$8 billion.

"If oil prices had fallen, there would be more confidence among those managing the [British Gas] share issue as to how much the government could expect to raise," said an energy analyst with a major London brokerage.

Moreover, gas short-term profit margins on gas sales could be squeezed as the company's cost of procuring gas is kept from falling at a pace commensurate with oil prices, because of long-term contractual arrangements.

The lag between gas and oil-price declines is six to 18 months, analysts said, forcing British Gas to cut prices on certain industrial sales to remain competitive.

Peter Spring, energy analyst at Greenwell Montagu & Co., a London stockbrokerage, said: "Even after a six- to 18-month time lag, fuel oil could still remain competitive against gas because gas contracts are about 50-percent inflation-linked."

British Gas had current-cost net profit of \$402 million in the year ended March 31, up 11 percent from the year before, on sales of \$7.7 billion. Current-cost accounting reflects the impact of inflation on the value of a company's assets.

U.S. Gives Japan Textile Warning

WASHINGTON — The U.S. trade representative, Clayton K. Yeutter, said Thursday that the United States would impose quotas against certain textile imports from Japan unless the Japanese agreed to reduce their shipments voluntarily.

Textile and apparel imports from Japan have increased by nearly 25 percent since the U.S.-Japan textile agreement expired on Dec. 31, 1985, Mr. Yeutter said.

He said the United States had requested consultations with the Japanese government over the problem. He added that if the matter was not resolved within 60 days, the United States would impose quotas. Mr. Yeutter noted that Thursday's warning represented the 22d time the United States had asked Japan to resolve the textile problem since the agreement expired. There was no immediate response from Japanese officials.

Soviet Signs Pact To Buy Grain From Canadians

By Jeff Bradley. OTTAWA — Two days after ignoring a deadline to buy subsidized U.S. grain, the Soviet Union signed a five-year grain agreement with Canada on Thursday, calling for sales of at least 25 million metric tons.

A Soviet delegation led by Foreign Minister Eduard A. Shevardnadze attended the signing ceremony in Ottawa.

The agreement, which went into effect Aug. 1, had been initiated and announced in December and shipments already have begun.

Canada, one of the world's largest grain exporters, finds itself in a global price war because of a world glut of grain.

Improved harvests in Third World countries such as China and India, which historically have imported grain, along with heavily subsidized production in western Europe and the United States, are among the causes.

The Soviet Union failed to respond to President Ronald Reagan's controversial offer to sell 3.85 million metric tons of subsidized U.S. wheat. That offer expired Tuesday. But last week the Russians did buy one million metric tons of subsidized wheat from the European Community for a reported \$80 a ton, \$11 a ton more than the price offered by the Reagan administration.

Canadian farmers, reaping an expected record crop of 54 million metric tons of grain, have asked for up to \$2.1 billion in subsidies to compensate for slumping prices.

NWA in Talks To Buy Engines

MINNEAPOLIS — NWA Inc., the parent of Northwest Airlines, said Thursday that it has begun negotiations with two consortia, CFM International and International Aero Engines, for engines to power Airbus Industrie's A-320 jetliners it ordered Wednesday.

CFM International is a venture of General Electric Co. of the United States and SNECMA, France's government-owned jet-engine maker. International Aero Engines consists of Rolls-Royce Ltd. of Britain, United Technologies Corp.'s Pratt & Whitney unit, a big U.S. engine maker, and several Japanese concerns.

NWA has agreed to buy at least 10 and as many as 100 A-320s, a medium-range, 150-seat jetliner, in a transaction that could total \$3.2 billion. If all the planes are bought, it would be by far the largest agreement concluded by Airbus, a European consortium.

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Markets Closed Financial markets were closed Thursday in India because of a holiday.

See BRITISH GAS, Page 21



Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere.

Table with columns: High, Low, Stock, Div. Yld. PE, High, Low, Stock, Div. Yld. PE

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U.S. Futures

Via The Associated Press

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European Currency

U.S. Dollars

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Metals

U.S. Dollars

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Company Results

Revenue and profits in millions, unless otherwise indicated.

Table with columns: Company, Revenue, Profit, Change

NYSE Highs-Lows

NEW HIGHS 33

Table with columns: Stock, High, Low

NEW LOWS 14

Table with columns: Stock, High, Low

NEW HIGHS 20

Table with columns: Stock, High, Low

NEW LOWS 14

Table with columns: Stock, High, Low

NEW HIGHS 20

Table with columns: Stock, High, Low

NEW LOWS 14

Table with columns: Stock, High, Low

France Unveils Maritime Plan

PARIS — Prime Minister Jacques Chirac on Thursday announced a 1.4-billion franc (about \$210 million) plan to revive France's merchant fleet within the next two years, partly by cutting back on the number of French crewmen.

The secretary of state for maritime affairs, Andre Guellec, said 700 million francs of the total would be given to the state-owned company Compagnie Generale Maritime, the country's leading shipping firm. Mr. Guellec said he favored concentrating the industry in two firms, one public and one private. The largest private concern is Delmas-Vieljeux SA.

Unemployment Up in Denmark

COPENHAGEN — The average number of registered unemployed people in Denmark in August was 197,700 or 7.2 percent of the work force, the statistics bureau reported Thursday. In July the rate was 6.8 percent and in August of 1985 it was 8.3 percent.

WORLD MARKETS IN REVIEW

IN THE MONEY MONDAY. AVERAGE OF WORLD STOCK MARKETS, ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

Source: Merrill Lynch

Paris Commodities

Oct. 2

Table with columns: Commodity, Price, Change

London Commodities

Oct. 2

Table with columns: Commodity, Price, Change

Asian Commodities

Oct. 2

Table with columns: Commodity, Price, Change

Spot Commodities

Oct. 2

Table with columns: Commodity, Price, Change

DM Futures Options

Oct. 2

Table with columns: Commodity, Price, Change

Dividends

Oct. 2

Table with columns: Company, Dividend, Date

London Metals

Oct. 2

Table with columns: Commodity, Price, Change

U.S. Treasuries

Oct. 2

Table with columns: Treasury, Yield, Price

Canada's Output Rose in July

OTTAWA — Canada's industrial production rose 1.5 percent in July after falling 1.1 percent in June, Statistics Canada said Thursday. It said production was down 0.5 percent in July from a year earlier.

Handwritten note: April 1986



**BUSINESS ROUNDUP**

**Korea May Buy U.S. Nuclear Units**

By Lee A. Daniels  
*New York Times Service*

NEW YORK — South Korea's state-owned electric power company has provisionally chosen plans submitted by three American companies to equip and service the two nuclear power plants it intends to build by the mid-1990s.

The contracts, worth an estimated \$500 million, would mark only the second time since 1979 that another country has ordered a U.S. nuclear plant. The entire project would cost about \$3 billion, with much of the money going to Korean companies involved in the construction.

The South Korean move gives the U.S. companies first right to negotiate prices for the final contracts. The negotiations are expected to be completed by February.

The three companies are Combustion Engineering Inc. of Stamford, Connecticut; Sargent & Lundy, a Chicago-based consulting engineering firm, and General Electric Co.

The two alternate companies selected to bid for the contracts also are American, sources knowledgeable about the bidding said. One is said to be Westinghouse Electric Corp., which has built three of the nine nuclear plants operating or under construction in South Korea. The name of the other alternate could not be learned.

Companies from France and Canada were among the 13 bidding for the orders.

"It's significant because the South Koreans could have bought anybody's reactors," said Scott Peters, a spokesman for the Atomic Industrial Forum. "But they've voted with their money" for American technology.

According to a published report, the chairman of Alstom, one of

the French companies in the competition, contended that his company's bid was "by far the best," but that South Korea had yielded to pressure from the Reagan administration to buy American products.

Administration officials denied that any political pressure had been used. Alex Almsdorf, a spokesman for the State Department, said, "No pressure was put on South Korea — certainly no threats about possible repercussions in the trade arena. We waged a very active and forceful promotion."

South Korea designated Combustion Engineering to negotiate for the contract to supply advanced light water reactors. Sargent & Lundy was chosen to negotiate for the design and consultancy work, and GE will negotiate to provide the turbines.

One industry official, who asked to remain anonymous, said that Combustion Engineering's selection was something of a surprise because of Westinghouse's previous busy record in the country.

He added, however, that the South Koreans, who are intent on developing their own nuclear industry, apparently believe that they can utilize the technology from the Combustion Engineering units in future projects of their own more readily than they could use Westinghouse's.

**Bond Corp. Holdings to Buy Hongkong Land Properties**

Agence France-Press

HONG KONG — An affiliate of Bond Corp. Holdings Ltd. of Australia is to buy most of the residential properties held by Hongkong Land Co. for 1.425 billion Hong Kong dollars (\$182.6 million), the two companies said on Thursday.

The agreement was signed Wednesday. A deposit of 10 percent of the price was paid and the sale was scheduled to be completed by Dec. 15.

The transaction is in line with Hongkong Land's strategy to reduce its non-core business, a joint announcement said. Hongkong Land is Hong Kong's leading property company.

The statement said the purchase was also in line with Bond's international expansion policy.

It quoted a Bond spokesman as saying the substantial investment indicated "the confidence Bond Corp. has in the future of Hong Kong," which is to revert to Chinese rule in 1997.

Bond Corp., which is headed by Alan Bond, has interests ranging from breweries and property to mining and retailing.

**COMPANY NOTES**

Cessna Aircraft Co., the world's largest maker of general aviation aircraft, confirmed that it is laying off another 700 employees, or 6.7 percent of its work force, bringing to 1,600 the number of workers laid off this year. The light plane industry is in the midst of the worst sales slump in its history.

Chase Manhattan Corp. said it has begun legal proceedings in Hong Kong against the guarantors of its loan to the Wah Kwong Shipping & Investment Co. group, and has begun proceedings to take possession of a third Wah Kwong ship bank mortgaged.

CSX Corp., citing weakness in its transportation business, said its third-quarter profit fell 27 percent from a year earlier, to \$77 million from \$105 million, while revenue declined 15 percent, to \$1.46 billion from \$1.72 billion. CSX is a major American railroad holding company that also has interests in energy, real estate and container ship cargo.

International Business Machines Corp. said it will introduce an expert systems software package next week that combines into one package all the artificial intelligence tools and software that IBM now sells separately. Artificial intelligence software allows a computer to solve problems in much the same way as a human, by applying a logical set of rules.

Rhone-Poulenc SA, the French state-owned chemicals and pharmaceuticals concern, said it is bidding against four other companies

to buy the agrochemicals division of Union Carbide Corp. of the United States. The French company, which had agrochemicals revenue in 1985 of 6.4 billion francs (\$967 million at current exchange rates), refused to name the other bidders.

Sony Corp. of America has introduced a new version of its Handycam, a hand-held video camera-recorder using 8-millimeter tape, that has more features — including zoom lens and built-in playback capability — than the original Handycam. The camcorder, priced at \$1,500, will reach dealers by the end of October.

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**DIVIDEND ANNOUNCEMENT**  
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LUXEMBOURG

**THE EUROMARKETS**

**Sterling-Straight Eurobonds Resume Their Sharp Decline**

By Christopher Pizzey

LONDON — The weakening sterling-straight sector was again the exception to an otherwise little changed Eurobond market Thursday.

Primary-market activity was slow, with only one new plain dollar-straight bond issue emerging. In the sterling sector, prices of medium-dated issues dropped by around 3/4 to a sharp fall point as the pound renewed its recent weakness.

A sterling-straight trader at a British merchant bank said: "This sector is so fickle at the moment. Yesterday's bullishness and euphoria rapidly disappeared this morning." He added that there was still a strong chance that British clearing bank base rates could rise shortly.

Domestic money-market rates ended firm, with the key three-month interbank sterling rate which clearing banks use as a guide in setting their base rates — closing 5/16 point higher at 11 1/16 10/15/16 percent. Base rates are now at 10 percent.

Another dealer said that British money-supply figures out next week could make a base-rate rise inevitable.

"It's generally agreed that the (sterling) M-3 figure is going to be horrendous. If it's that bad then the bottom could fall out of this market," he said.

Most other sections of the Eurobond market ended little changed Thursday, with many operators sidelined ahead of Friday's U.S. employment data, dealers said.

The dollar-straight market was steady in this professional trading. There was still no sign of retail involvement in the market and dealers were still nervous over the future direction of interest rates.

The day's only new dollar straight was a \$100-million bond

issue for Philip Morris Cos. The five-year issue pays 7 1/2 percent and was priced at 100 1/8. It was quoted just outside the total fees of 1 1/4 percent at a discount of 2 1/4.

TDK Corp., the Japanese magnetic-tape maker, launched a \$150-million equity-warrant bond issue with an indicated coupon of 3 1/4 percent. The five-year issue was lead-managed by Nomura International Ltd. and was priced at par.

Activity in the floating-rate-note sector picked up during the day after a slow start, dealers said. Prices traded to add two to four basis points, but greater gains were seen in selected issues. Trading remained purely professional.

The Japanese equity-warrant market ended sharply lower following the overnight decline in underlying share prices, dealers said. The Nikkei index in Tokyo suffered its second largest fall on record block selling by institutional investors.

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(CDRs)

The undersigned announces that from 10th October 1986 to 31st December 1986, the following CDRs will be available for subscription:

1. **CDR Series 25** (accompanied by an "Affidavit") of the CDRI Marubeni Corporation will be payable with Dfls. 28.59 net per CDR, approx. 1,000 shs. (div. per record-date 31.03.1986; gross Yen 2.5 p/sh) after deduction of 15% Japanese tax = Yen 2.175 net. Dfls. 5.23 per CDR, approx. 1,000 shs. Without an Affidavit 20% Japanese tax = Yen 500 net. Dfls. 7.28 per CDR, approx. 1,000 shs. will be deducted. After 31.10.1986 the div. will only be paid under deduction of 20% Japanese tax with resp. Dfls. 26.54 net per CDR, approx. 1,000 shares each, in accordance with the Japanese tax regulations.

**AMSTERDAM DEPOSITORY COMPANY N.V.**  
Amsterdam, 25th September 1986.

**FIDELITY PACIFIC FUND S.A.**  
Incorporated under the laws of Panama

Notice of Annual General Meeting of Shareholders  
October 16, 1986

Please take notice that the Annual General Meeting of Shareholders of Fidelity Pacific Fund S.A. (the "Corporation") will take place at 2:00 p.m. at the Corporation's principal office, Pembroke Hall, Pembroke, Bermuda, on October 16, 1986.

- The following matters are on the agenda for this meeting:
- Election of seven (7) Directors, specifically the reelection of all present Directors, Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Hisashi Kurokawa, John M.S. Patton, Harry G.A. Seggerman and H.F. Van den Hoven.
  - Review of the balance sheet and profit and loss statement for the fiscal year ended May 31, 1986.
  - Ratification of the actions taken by the Directors since the previous Annual General Meeting.
  - Ratification of the actions taken by the Investment Manager since the previous Annual General Meeting.
  - Adoption of the following amendment to the Charter of the Fund by the insertion of the following sentence at the end of the third paragraph of article fourth of the Charter: "Payment of the purchase price for shares shall be made no later than ten days after the valuation date which pursuant to the procedures adopted by the Board of Directors fixes the purchase price."
  - Adoption of the following amendment to the Charter of the Fund by the insertion of the following sentence at the end of the third paragraph of article twenty-second of the Charter: "Payment of redemption proceeds for shares shall be made within ten days after the valuation date which pursuant to the procedures adopted by the Board of Directors fixes the amount of redemption obligation or, if later, within ten days after receipt by the Corporation of the investor's share certificates."
  - Consideration of such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of registered shareholder's proxy obtained from the Corporation's principal office in Pembroke, Bermuda, or from the companies listed below, to the corporation at the following address:

- Fidelity Pacific Fund S.A.  
P.O. Box 670  
Hamilton 5, Bermuda
- Holders of bearer shares may vote by proxy by mailing a form of certificate of deposit and a form of bearer shareholder's proxy obtained from the Corporation's principal office in Pembroke, Bermuda, or from the companies listed below, to the Corporation at P.O. Box 670, Hamilton 5, Bermuda. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit with the Corporation the certificates for their shares or a certificate of deposit therefor prior to the meeting.
- All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 2:00 p.m. on October 16, 1986, in order to be effective at the meeting.
- By order of the Board of Directors  
Charles T. M. Collis  
Secretary
- The Bank of Bermuda Limited  
Front Street  
Hamilton, Bermuda
- Fidelity International Management Holdings Limited  
25 Lovat Lane  
London EC3R, 3LL, England
- Kredietbank S.A. Luxembourgeoise  
43, boulevard Royal  
Luxembourg

**ROBOTS: Ford Seeks 'Flexibility'**

(Continued from first finance page)

In that regard, however, he said the power of flexible automation continues to be demonstrated, particularly in facilitating model changes.

"The changeover effort is just becoming so costly," he said. "The typical changeover under hard automation requires a big investment in inventory, a skilled work force that knows how to change the line. It requires careful control

check that your quality is where you want it to be. But with flexible automation, you can change over automatically. You can take 'time' out of the equation."

"Applications of robots and other elements of flexible automation will continue to grow," he said. "We're in the middle of a fundamental trend here that will be more apparent as the years go by. There will be a few hitches, but that's where we're going."



**Our patch.**

When you're trading round the world for 24 hours a day, it's not enough to stay wide awake. Though we do.

Nor is it enough to invest in up-to-the-minute technology. Though we have.

It's not even enough to pick bright people. Though we've spent years gathering the brightest bunch in the business.

You have to be *at home* in all the major markets.

Not just knowledgeable about them, but *familiar* with them.

As members of the London and the New York Stock Exchanges, and proud owners of a licence to trade securities in Tokyo, the Kleinwort Benson Group is a

permanent resident of the Big Three.

We have offices and subsidiaries throughout America, the Pacific Basin and Europe.

By almost any yardstick, we're the biggest of Britain's merchant banks, so we've plenty of financial muscle.

We underwrote over a third of the equity capital raised in the UK last year, more than any other firm. In the first half of this year we advised on over 30 UK takeover and merger transactions worth £8 billion.

But we'd rather you loved us for our brains than our brawn.

Did you know, for example, that many of the most sophisticated 'swaps' now in use were *invented* by our people in

Los Angeles?

Or that Kleinwort Benson Government Securities in Chicago is a well-established primary dealer in the US Treasury market?

We believe that, by merging with leading brokers Grieson Grant, we've established a major world financial group.

Banking, corporate finance, investment management, stockbroking, security dealing: we'll be happy to talk to you about any of them.

And wherever we meet, we'll be on our home ground.

**Kleinwort Benson**  
The bright people in the right places.



Thursdays AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High/Low, Div. Yld. PE, St. High/Low, and Date. Lists various stock symbols and their corresponding market data.

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EC Industrial Output Up

LUXEMBOURG — European Community industrial production rose by about 2.5 percent in July from a year earlier, the EC statistics office, Eurostat, said Thursday. It said the figure was approximate because of a lack of figures from France.

Indonesian Coffee Exporters Agree to Curtail Their Exports

JAKARTA — Indonesian coffee exporters have agreed to curb their sales abroad during the last three months of this year to 30 percent of a government-imposed quota on exports of the beans, the Association of Indonesian Coffee Exporters said Thursday.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 2 Oct. 1986

Large table listing various international funds with columns for fund name, share price, and other financial metrics.

Floating-Rate Notes

Table listing floating-rate notes with columns for currency, rate, and other details.

NEW HIGHS & NEW LOWS

Table listing new high and low prices for various stocks and currencies.



CURRENCY MARKETS

Dollar, Pound Turn Sharply Lower

NEW YORK — The British pound fell to a record low in Europe Thursday in a frantic sell-off that swept aside efforts by the Bank of England and the West German Bundesbank to support it. It then splintered in later U.S. trading.

Analysts agreed that sterling, which lost 14 percent of its value against the Deutsche mark in the European sell-off, would now fall further without an increase in U.K. interest rates.

The dollar also fell sharply in European and U.S. trading in what dealers said was the beginning of a major market test of central bank resolve to defend it. Dealers noted that intervention by the West German central bank gave the U.S. currency little or no support, and that it was poised for further losses.

Sterling dropped about 5 pence in London to close at 2.8763 DM, after touching a record low of 2.8735. It closed at a record low of 68.1 on its trade-weighted index,

down from 68.9 on Wednesday. Two weeks ago it was above 70. Against the dollar, sterling ended in London at \$1.4335, down from \$1.4460 at Wednesday's close. It closed in later New York trading at \$1.4360, down 1 cent.

Dealers said the day's pressure on sterling, after two days of relative quiet, came as no surprise. Sentiment for the pound was outright bearish, they noted.

Worries on trade figures, low North Sea oil prices, the scale of debt in the British economy and high wage increases have all hit the pound, they noted.

Analysts said that Britain's base lending rates, now 10 percent, would have to be raised to at least 12 percent to make sterling more attractive to investors.

"They don't seem to realize sterling won't hold otherwise," one London dealer said. "It has become an absolute necessity to jack up rates to defend the pound."

Meanwhile, the dollar fell to as low as 2.0035 DM in European trading before finishing at 2.0055 in New York, down 1 1/2 pence from 2.0190 at Wednesday's close.

It also fell to 153.825 yen from 153.90, to 6.5700 French francs from 6.6140 and to 1.6263 Swiss francs from 1.6378.

Dealers said the dollar was now set for further losses after several days of relative quiet, with the important 2-DM level within reach.

They noted that market wariness of central bank intervention was waning, especially after the Bundesbank's unsuccessful attempts to halt the dollar slide on Thursday.

"First, the market believed the central banks when they said that they would defend the dollar," one U.S. bank dealer said. "Now people want to see for themselves."

In other markets, meanwhile, the dollar was fixed at midday in Frankfurt at 2.0210 DM, down from 2.0275 at the Wednesday fixing, and at 6.6175 French francs in Paris, down from 6.6405.

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London Dollar Rates

Table with columns: Currency, Bid, Ask, and Source: Reuters

U.S. Basic Money Supply Up \$4.3 Billion in Week

The narrowest measure of the U.S. money supply, M-1, expanded by \$4.3 billion in mid-September, the Federal Reserve Board said Thursday.

The increase was about double what many analysts had expected for the period, but the gain had little impact on bond prices and interest rates in late credit-market trading. The Fed said M-1 jumped to a seasonally adjusted \$695.1 billion in the week ended Sept. 22 from \$690.8 billion the previous week. M-1 includes cash in circulation, checking deposits and non-bank travelers checks.

The government of Prime Minister Margaret Thatcher wants to attract as many investors as possible, largely to make it difficult for a Labor Party government to reverse the process of denationalization in key British industries.

"After British Telecom, the sale of shares in British Gas to several million small shareholders will enable the government to make its point before the next election that any renationalization of industry by Labor will deprive lots of people of potentially rewarding investments," one energy analyst said.

In Graham, an analyst with Chase Manhattan Securities, a London-based investment unit of Chase Manhattan Bank, predicted that "like TSB, the British Gas issue is going to be amazingly popular with the general public."

No decision on an overseas placement has been made, but the government has appointed Goldman Sachs & Co., Nomura Securities Co., Swiss Bank Corp. and Wood Gundy Inc. to explore flotation in the United States, Japan, Europe and Canada, respectively.

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The sale of 50.2 percent in British Telecom to 2.3 million investors raised \$3.9 billion.

Most analysts expect 100 percent of British Gas to be put on the market. And the government is aiming to entice up to four million investors. Two million enquiries already have been received.

The Conservative government's hopes of reaching that target were buoyed by the massive oversubscription last week of the share offering by TSB Group PLC, the largest so far on the London Stock Exchange of a company not owned by the state. The TSB offering, which will raise £1.3 billion from 3.2 million shareholders, attracted 5 million applications.

KODAK: A Paternalistic Employer Tries to Help Ease the Pain of Layoffs

(Continued from first finance page) Kodak is helping to finance the center, a cost that Mr. Butznhoff said was "in the millions."

The counseling sessions are conducted in a number of places — over breakfast tables, during long walks, and in late-night phone talks — with a box of tissues often close at hand. The consultants try to do what corporate management cannot.

They listen to feelings of shock, outrage, grief and fear of leaving family and friends to look for work elsewhere. They try to rebuild ego by outlining the skills of those dismissed, their contributions to Kodak and how they might be valued elsewhere.

The consultants draw up lists of alternate occupations and develop "networks" — names of 50 people who might help in the job search: church fellows, lodge brothers, community leaders, school friends. They draft résumés and letters of introduction, and offer advice on interview techniques. They study candidate's posture, poise and dress on videotape.

Andrew Asproullis, maintenance technician for 10 years, said the video tests helped him see how his "anger" was "creeping in" to his attitude. Out of work since November, he had mailed out 175 résumés and only recently received one firm job offer — supervisor in a nearby metal-working plant at \$12 an hour, comparable to his Kodak wage. He said he would take the job.

There are no firm statistics yet as to how effective the program has been. No one is keeping track of who has found jobs. Talks with Kodak employees, however, suggested that, though comforting and constructive, the effort is not a panacea.

Margaret Coddling, 59, is typical of many dismissed Kodak laboratory workers, most of whom are women. For 32 years, she has handled bills and shipping, inspected film and finished photos alongside uncle, cousins and friends. She has never had a résumé: "I figured I'd stay here till I was 65," she said. "I never thought about 'the outside world.'"

A Drake Beam Morin consultant helped to outline Mrs. Coddling's skills: keen memory, dexterity, an ability to make swift decisions, sensitivity to color, light and depth. They considered possible occupations: word processing, key-punching, child care; they also considered such areas as tour guide, travel agent, florist and telephone operator. Last week she mailed out résumés.

Karen Corke, 31, was tearful when she first learned of her dismissal. Now, her outlook is measured. Her résumé summarized 11 years of various assembly-line tasks this way: "I like to crawl around, fix optical and electrical machines, master assemblies, and I can lift up to 50 pounds, I really dig into whatever I am given to do."

He has applied to 50 companies, most of them outside Rochester and paying less than the \$10.80 an hour he received at Kodak, but he has still not landed a job.

He has had 10 interviews and has narrowed his scope to four areas: church, school or factory maintenance; grounds keeping; electrical wiring, or sales. "My morale is O.K.," he said. "Counseling has helped me to move on." He credits the outplacement program with giving him "an edge."

But he added, "the reality of finding a new niche is harsh."

Mr. Orlandini, 65, steps down Sept. 1, 1987. Mr. de Soet, who joined the Dutch flag carrier in 1961, is vice president and had been widely expected to take over from Mr. Orlandini.

Mobil Corp. said that Joe L. Cooper, who has been president and chief executive of its Container Corp. of America subsidiary, has returned to Mobil now that Container Corp. has been sold to Jefferson Smurfit Corp. and the Morgan Stanley Equity Leveraged Fund for about \$1.2 billion. Mr. Cooper will be executive vice president of U.S. marketing and refining for Mobil. He joined Mobil in 1956.

Marsh & McLennan-Sun Hung Kai Ltd. in Hong Kong, a subsidiary of Marsh & McLennan Inc., the New York-based insurance group, said that in view of its "continued expansion," it has appointed Sidney S.K. Ku as assistant director responsible for client servicing in Hong Kong and Stanley L.W. Ho as manager responsible for new business development. Both were formerly with Jardine Insurance Brokers Ltd.

The company retains its Franco-American character, with the Schlumberger family still holding 25 percent of the stock.

KLM Royal Dutch Airlines has named Jan de Soet, 61, to succeed Sergio Orlandini as president when

able since the company acquired it in 1979.

Late last year, Schlumberger took a \$485-million charge against earnings, mainly, it said, because of losses at Fracfield. Its second-quarter earnings dropped 74 percent from a year earlier, to \$55 million from \$212 million a year earlier.

Suzanne Cook, a First Boston analyst who correctly predicted Mr. Vailland's ouster, said Thursday that she now expects Schlumberger to try to sell Fracfield by the end of the year.

Mr. Vailland, a former French civil servant, had been Mr. Riboud's handpicked successor. Mr. Baird, a Scot and a graduate of Cambridge University, stepped up from the executive vice presidency. He has been with Schlumberger since 1960.

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BRITISH GAS: Continuing Oil-Price Stump Could Hurt Sale to Public

(Continued from first finance page) whether conditions or other special factors.

He said, however, that British Gas's pretax profit could fall markedly in fiscal 1987-88, because of interest charges on a \$2.5-billion debt assumed on privatization and persistent pressure on profit margins if oil prices remain at current levels.

But Hoare Govett Ltd., a London stockbrokerage acting as lead manager to British Gas, said in a recent profile that the company's profit outlook is even more promising for 1987-88 than the current year. It argued that gas costs will have been brought into line with oil prices by that time and thus reduce British Gas's susceptibility to competition from other fuels.

Hoare Govett based its long-term optimism largely on a sharp recovery in oil prices. "In the industrial and commercial markets, an oil price of \$20 to \$30 a barrel would offer scope for increased gas sales, prices and considerably improved margins, and we see this as

an important area of potential later in the decade," the report said.

In a speech last July, British Gas's director of petroleum purchasing, J.F. Alcock, acknowledged the possibility of losing gas sales to fuel-oil suppliers. "Should we see a continuation of low oil prices, the gas industry might be vulnerable," he said. He defined low oil prices as an average of about \$15 a barrel over several years.

Gas has emerged as a major fuel source in Britain, chiefly at the expense of coal, and now has 25 percent of the energy market, compared with virtually nil in the mid-1960s.

British Gas, headed by Sir Denis Rooke since 1976, has enjoyed a controlling — if not monopolistic — position in the British market, supplying gas to more than 60 percent of Britain's homes and one-third of its industries. Analysts are waiting to see how well Mr. Rooke, whose term as chairman was recently extended, can exploit market conditions for British Gas as a private company.

Officials from the company declined to be interviewed for this article.

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BUSINESS PEOPLE

Cornfeld Selling Mansion in U.S.

Los Angeles Times Service BEVERLY HILLS, California — Grayhall Inc., headed by Bernard Cornfeld, the flamboyant financier whose international mutual fund empire collapsed in the early 1970s, is selling his baronial 35-room mansion here to a California mining company for \$9 million.

Last week Grayhall, whose sole asset is the mansion, filed a petition in U.S. Bankruptcy Court in Los Angeles for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code. The petition, said Mr. Cornfeld, now 59, stemmed from delays in the closing of the sale because of problems with the buyer's financing.

"Life is still cheap," Mr. Cornfeld said in denying any financial problems with himself or Grayhall. He noted that he still has homes in London and Paris and a chateau in France near the Swiss border.

Schlumberger Replaces Its Chairman

By Arthur Higbee International Herald Tribune

Schlumberger Ltd., the troubled oilfield-services and electronics concern, has elected Ewan Baird as chairman, president and chief executive, the first non-Frenchman to head the New York- and Paris-based company since its founding by the brothers Conrad and Marcel Schlumberger in 1926.

Mr. Baird, 48, replaces Michel Vailland, 54, who apparently was fired by the board Wednesday night. Only a year ago, Mr. Vailland was named to succeed Jean Riboud, the company's dynamic president for 20 years. Mr. Riboud died a month after stepping down.

A Schlumberger spokesman said, "There was a disagreement between Mr. Vailland and the board." He would not elaborate.

Schlumberger, with about \$11 billion in assets and 70,000 employees worldwide, has fallen on hard times in recent years, stung by the collapse in oil prices and problems with its Fracfield Semiconductor division, which has been unprofit-

able since the company acquired it in 1979.

Late last year, Schlumberger took a \$485-million charge against earnings, mainly, it said, because of losses at Fracfield. Its second-quarter earnings dropped 74 percent from a year earlier, to \$55 million from \$212 million a year earlier.

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Thursday's OTC Prices. NASDAQ prices as of 4 a.m. New York time. Via The Associated Press.

Table with columns: 12 Month High, Low, Stock, Div. Yld., 1986 High, Low, 4 P.M. Close, Net

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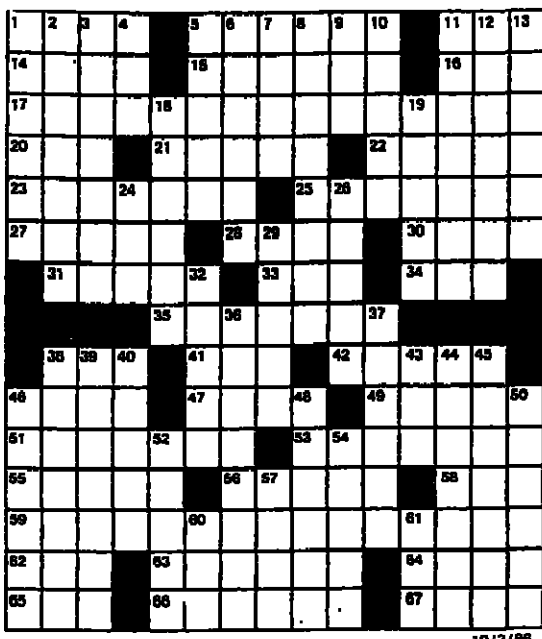
Table with columns: 12 Month High, Low, Stock, Div. Yld., 1986 High, Low, 4 P.M. Close, Net

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- ACROSS**
- Altar's milieu
  - Director's call
  - Ag's take
  - Stuff to the gills
  - Gale Storm role on TV
  - Guido's high note
  - Shirley Temple film: 1934
  - Partake of
  - Tropical tree resin
  - Jeweler's measure of fineness
  - Gorgous creature
  - Mosaic tile
  - A ther-moplastic
  - Rotisserie rod
  - Ivan or Alexander
  - Popular toy trucks, for short
  - Cry of delight
  - Curvaceous feminine suffix
  - Audit a course
  - Matter: instance: Fr.
  - Negative prefix
  - Latin dance
  - Uniquitous TV series
- DOWN**
- Evaluate
  - Spanish tubers
  - Ear shell
  - Deceased
  - Slate
  - Excuses for defendants
  - Big spender
  - Bavarian measures of length
  - Meet one's gaze in a haze
  - Lohengrin's "A la la"
  - Stat for Gooden

© New York Times, edited by Eugene Malachuk.

DENNIS THE MENACE



...AN' WORSE THAN ANYTHING, MY YO-YO IS STILL UP ON THE ROOF!

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PHRAC

HILEW

TINKTE

CHIPUC

Answer here: A

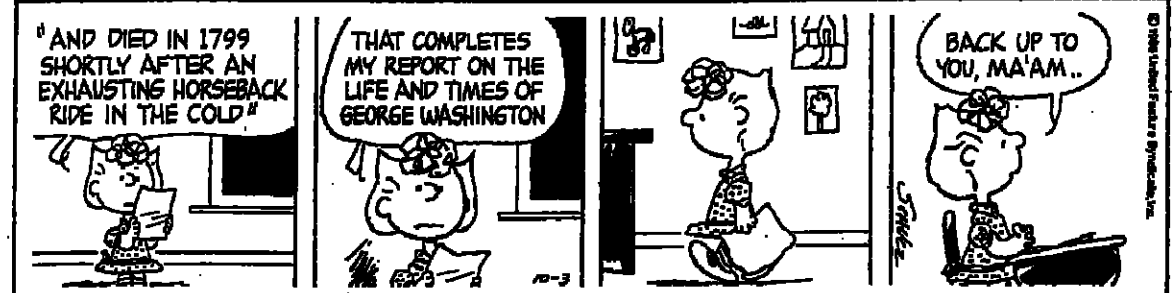
Yesterday's Jumble: TRUTH WISK KOSHER YEAFLY

Answer: What the "wisk" said when offered a little slip—WHY, YES!

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	18	12	Beijing	18	12
Austria	15	10	Bombay	28	22
Berlin	12	7	Calcutta	32	26
Bombay	28	22	Chengde	18	12
Buenos Aires	18	12	Chongqing	18	12
Calcutta	32	26	Chongzhou	18	12
Chengde	18	12	Chongzhou	18	12
Chongqing	18	12	Chongzhou	18	12
Chongzhou	18	12	Chongzhou	18	12
Chongzhou	18	12	Chongzhou	18	12

PEANUTS



BLONDIE



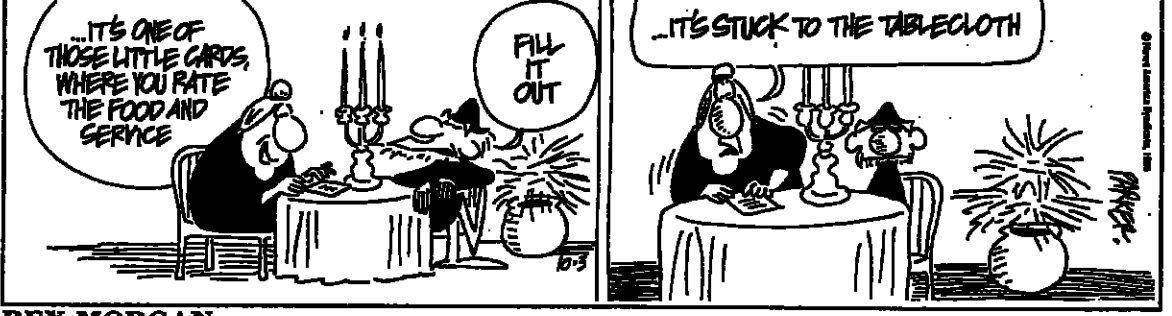
BEEBLE BAILEY



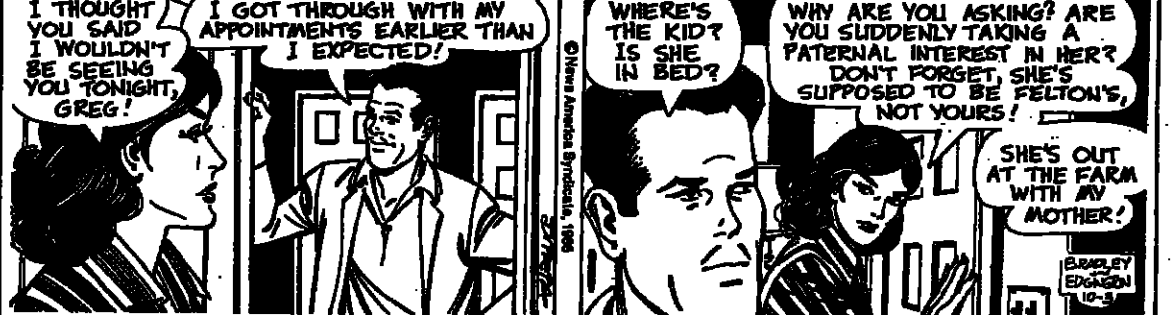
ANDY CAPP



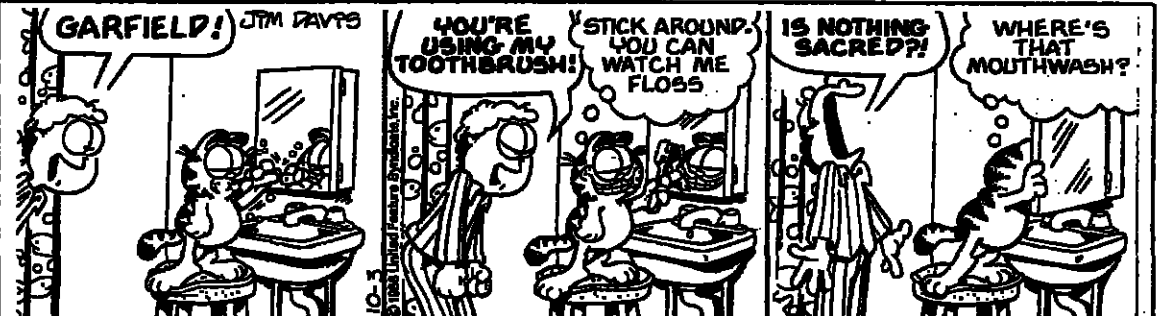
WIZARD of ID



REX MORGAN



GARFIELD



BOOK BRIEFS

**BEAVER TO FOX**, by Derek Kertun. St. Martin's Press Inc., 175 Fifth Avenue, New York, N.Y. 10018.

A small band of terrorists is demoralizing France, bombing shopping centers and other bourgeois targets. The far left is suspected, but the group is actually on the far right, trying to destabilize the government. Derek Kertun presents a vivid, compelling and believable scenario about how a tiny group of fanatics could almost destroy a nation's economy, and how the breakdown of law and order could panic its citizens. Baum, the protagonist, is the pudgy, imaginative deputy director of the French secret service. The terrorists are protected by someone highly placed in government circles, so Baum must withhold information and evidence to prevent any leaks of what he is attempting to do.

Meanwhile, serious blunders are made by the Prefecture of Police, which causes Baum additional problems. The franc declines on the world market, and Henry Kissinger makes a trip to Paris to threaten France with trade sanctions if something is not done immediately. Faced with ruthless killers, Baum has to be equally ruthless, and he is equal to the task. The novel has a large cast, but every principal is fully characterized. The terrorists are credible, the pace is fast and the range of information the author provides is vast. He also includes a blueprint for controlling terrorist groups. (WP)

**THE STARS AT NOON**, by Denis Johnson. Alfred A. Knopf, 291 East 57th Street, New York, N.Y. 10022.

"The Stars at Noon" is set in a menacing but familiar world—a hot, tropical world of sleazy bars and cheap motels, third-rate spies and disaffected drifters, a world familiar from old Sydney Greenstreet movies and from novels by Graham Greene and Robert Stone. Sometimes the setting is Southeast Asia, sometimes it's Mexico or South America. In this case, it's Nicaragua in 1984, and the protagonist is a "North American female prostitute-drifter with a press card, which has been revoked."

A poet as well as a novelist, Johnson possesses a gift for visually precise description, and in "Stars" he conjures up a hellish vision of Managua and the outlying country. There are moments when he is equally persuasive in describing certain emotional states. Brilliant as his poetic reportage is, however, it cannot sustain the novel's thick, histrionic plot or carry the reader through his extended excursions into melodrama.

As he demonstrated in his last two novels, "Angels" and "Fiskadoro," Johnson is an ambitious writer, but "Stars" never becomes more than a sort of hokey retreat of "Angels" set in the Third World and garnished with a twist of betrayal. (NYT)

**THE OTHER NILE**, by Charlie Pye-Smith. Viking, 40 West 23d Street, New York, N.Y. 10018.

In 1975 a bright young Englishman, trained in biology and ecology and feeling youthful and impetuous, went jaunting off through Egypt, Ethiopia, Sudan and points south. On a budget limited to £2 or so a day, he saw the Nile Valley up close—crocodakes, camels, the lot. In 1984, by which time he had written or co-written three books on conservation, Charlie Pye-Smith went back, traveling almost as cheaply, now by choice.

He retraced his earlier route as far as closed borders, guerrilla gunfire and threats of camps permitted. He is a sharp observer who often provides small and revealing things, vivid and personal details. Egypt, he writes, "is a weirdly lovely country. One's nose is continually twitching." His information is often bizarre—he reports that an American paper manufacturer during the Civil War imported several shiploads of mummies to use in his factory—"a good mummy yielded up to 30 lbs of linen"—and that for one 10-year period the Egyptian railroad "used no other fuel than mummies." (WP)

**DRUNK WITH LOVE**, by Ellen Gilchrist. Little, Brown, 34 Beacon Street, Boston, Mass. 02108.

Ellen Gilchrist's new collection of short stories is filled with strong, occasionally dazzling pieces of fiction, yet somehow the whole does not equal the sum of its parts. While this does not take away from the pleasure of reading the book, it leaves one feeling slightly dissatisfied. What's missing is a thread of commonality running through the stories. Instead, a variety of quirky characters lead all sorts of disimilar lives. It's as though Gilchrist is showing us her range of knowledge, which is considerable, rather than dwelling on the elements in her prose that are most successful and moving.

The title story is an uneven tale of a few people living in Berkeley, and while it rumbles on in what seems an aimless manner, it surprises with a terrific, surrealistic ending. Gilchrist's sense of her characters as outsiders is a theme that occurs a couple of times, to great success. She is especially sensitive to the alienation that children and adolescents feel.

Gilchrist resuscitates several characters from her much-praised "Victory Over Japan" collection, among them Rhoda, a precocious girl growing up in the 1940s in the stories "The Emancipator of the Universe" and "Adoration." "The Emancipator," however, is a disappointing tale that almost feels allegorical, with the marriage between a young woman with a social conscience and a sexy Lebanese man whose visa is about to expire. The relationship leads quickly to an obvious and tragic end. Gilchrist is also heavy-handed in "Belize," about a vacation of some bored rich people. Perhaps the flatness of the prose is being used to help one imagine the flatness of the characters' lives, but in this case one is simply lulled by what is going on. (LAT)

**Solution to Previous Puzzle**

BRAZE	SQUEAL
WEVILLS	ETAGERE
OCEANIA	LATHERS
ROK CANTINA	
TMEN STAT RAJAH	
HEDIN AMES TAXI	
GAFFE AWHAILE	
STEEPLE CHILLED	
HORSE NOLTE	
TONI XRAY STABS	
SUSAN APD ELAH	
ESTATES AGA	
SLEEVES ENTERED	
CORDERO STERILE	
INSERT	SPECS

10/3/86

BRIDGE

By Alan Truscott

trumps. The play of the king and ace revealed the bad break and South led a spade to the ten in the dummy.

ONE of America's newly crowned world champions demonstrated his defensive skill on the diagrammed deal from the first day of semifinal play in the open pair championship in Miami. Bob Lipsitz, who was one of the winners of the world knockout teams held the East cards shown in the diagram, and his partner, Neil Silverman, also a new world champion, defended four hearts after South had opened with a weak two-bid.

A diamond lead would have been better for the defense but West chose a club. South won with the ace and tried to draw

When Silverman later gained the lead with his trump trick he was able to play a diamond to give the defense four tricks.

**NORTH**  
 ♠ A D 7 4 3  
 ♥ K 5  
 ♦ A 8 3  
 ♣ A 8 2

**EAST**  
 ♠ K 3  
 ♥ A 6 4  
 ♦ J 7 2  
 ♣ K 8 7

**SOUTH (D)**  
 ♠ J 8 5  
 ♥ A Q 7 3 2  
 ♦ 8 3  
 ♣ 5

East and West were vulnerable. The bidding: South West North East 1♣ Pass 2♣ Pass 4♥ Pass 4♥ Pass 5♥ Pass 5♥ Pass 6♥ Pass 6♥ Pass 7♥ Pass 7♥ Pass

**World Stock Markets**  
Via Agence France-Presse Oct. 2  
Closing prices in local currencies unless otherwise indicated.

Market	Index	Change
Amsterdam	384.20	+1.20
Bombay	107.20	+0.20
Buenos Aires	142.20	+0.20
Calcutta	107.20	+0.20
Chengde	107.20	+0.20
Chongqing	107.20	+0.20
Chongzhou	107.20	+0.20
London	272.20	+0.20
Manila	107.20	+0.20
Medan	107.20	+0.20
Paris	107.20	+0.20
Shanghai	107.20	+0.20
Singapore	107.20	+0.20
Taipei	107.20	+0.20
Tokyo	107.20	+0.20
Yokohama	107.20	+0.20

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SPORTS

It's Getting Crowded Down Under



One of New Zealand's fiber-glass yachts, the KZ-7, cuts through the seas off Fremantle.

By Angus Phillips
Washington Post Service
WASHINGTON — "Right now, there are 31 boats out on the water," including all of the contenders and their various stablemates, said one observer in Fremantle. "It's so crowded out here, for the last few weeks it's been hard for anyone to sail off Fremantle without bumping into a 12-meter."

It is the greatest concentration of 12-meter yachts ever, and soon should evolve into the greatest concentration of these sleek, 60-foot racing machines since they were selected to compete for the cup in 1954, replacing the merrill J-Boats of the Vanderbilts and Liptons.

Like Australia II's clever originators, most syndicates are keeping their vendors of the seawater appendage secret. But so far, intelligence has it that there is only one significant wrinkle.

When Liberty, Dennis Conner's red yacht, fell behind the wonder from Down Under, Australia II, on the fifth leg of the final race for the America's Cup on Sept. 26, 1983, it was the turning point for yacht racing in the 20th century.

Conner dubbed it the yacht race of the century, and he was right, at the time. But the century wasn't done yet, nor were Conner and Alan Bond, the glib Australian multimillionaire who bankrolled the first successful assault on sailing's grandest prize since the yacht America took it from a fleet of British vessels in 1851.

Conner and Bond, and a total of 19 boats and crews are gearing up to outdo the race of the century with the regatta of all time, the five-month, 1986-87 America's Cup campaign that will start Sunday in the Indian Ocean off Fremantle, in Western Australia.

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Roger Clemens, the star of the Red Sox pitching staff, holds his elbow after it was hit by the line drive.

Clemens Hit by Ball; Next Game Unclear

BOSTON — Roger Clemens, the ace right-hander bidding to become the Boston Red Sox's first pitcher in 37 years to win 25 games, was hit on the elbow by a line drive in the second inning of Wednesday night's game and may not be able to pitch in the opening game of the American League playoffs next Tuesday against the AL West champion California Angels.

Angels Lose, but Avoid Another No-Hitter

Compiled by Our Staff From Dispatches
KANSAS CITY, Missouri — Danny Jackson, a rookie pitcher for the Kansas City Royals, and Gene March, manager of the California Angels, differed Wednesday night over what is acceptable practice in the eighth inning of a no-hit bid.

Baseball Roundup

Jimmy Key and Tom Henke held the Yankees to six hits. Don Mattingly, trailing Boggs in the AL batting race, went 2-for-4 and raised his average to .350. Mattingly's two hits gave him 230 for the season, one behind the Yankee record set by Eric Combs in 1927.

Astros Have the Makings of a Royal Finish

(This is the third of four articles on major league baseball's four division winners)
By Thomas Boswell
WASHINGTON — The Houston Astros, winners of the National League West division, are the sort of unlikely underdog rarely found in major league baseball's playoffs, let alone the World Series.

The major difference between the 1985 Royals and the 1986 Astros is that the Astros probably are better. A considerable number of days off allowed their bullpen to take a rest; the Astros' bullpen, led by Charlie Leibrandt, Larry Anderson and Aurelio Lopez, has been a strength all year.

SCOREBOARD

Table with columns for Wednesday's Games, Major League Standings, and National League Standings. Includes team names, scores, and records.

Baseball

Table with columns for Wednesday's Games, Major League Standings, and National League Standings. Includes team names, scores, and records.

Transition

Table with columns for Wednesday's Games, Major League Standings, and National League Standings. Includes team names, scores, and records.

European Soccer

Table with columns for Wednesday's Games, Major League Standings, and National League Standings. Includes team names, scores, and records.

Volleyball

Table with columns for Wednesday's Games, Major League Standings, and National League Standings. Includes team names, scores, and records.

Golf

Table with columns for Wednesday's Games, Major League Standings, and National League Standings. Includes team names, scores, and records.

Advertisement for IB 1735 BLANCPAIN watches, featuring a large image of a watch and text describing the brand and its history.

Tennis

Advertisement for Davis Cup tennis tournament, mentioning the European Zone B Final.



